
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2019
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-38850



TWIN RIVER WORLDWIDE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-0904604
(I.R.S. Employer
Identification No.)

100 Westminister Street, Providence, RI 02903
(Address of principal executive offices) (Zip Code)

(401) 475-8474
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value of \$0.01 per share	TRWH	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
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Non-accelerated filer	☒	Smaller reporting company	☐
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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2019, there were 27,845,412 shares of the registrant's voting common stock outstanding held by non-affiliates of the registrant, and the aggregate market value of the voting common stock held by non-affiliates of the registrant, based on the closing price on the New York Stock Exchange for such date, was approximately \$822.0 million.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of March 6, 2020
Common stock, \$0.01 par value	31,570,415

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on May 19, 2020 are incorporated herein by reference into Part III of this Annual Report on Form 10-K.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. In some cases you can identify these statements by forward-looking words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plans,” “planned,” “seek,” “should,” “will,” and “would,” or similar words. Statements that contain these words and other statements that are forward-looking in nature should be read carefully because they discuss future expectations, contain projections of future results of operations or of financial positions or state other “forward-looking” information.

Forward-looking statements involve inherent uncertainty and may ultimately prove to be incorrect or false. You are cautioned not to place undue reliance on forward-looking statements. Except as otherwise may be required by law, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or actual operating results. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to:

- the risk that negative industry or economic trends and reductions in discretionary consumer spending as a result of downturns in the economy, acts of terrorism, disasters, pandemics (including COVID-19) or fear thereof, wars, competition or other changes could harm our business;
- the risk that new gaming licenses or jurisdictions become available (or offer different gaming regulations or taxes) that results in increased competition to us;
- the effect of the expansion of legalized gaming (including sports wagering and online gaming) in the regions in which we operate;
- the effects of intense competition that exist in the gaming industry, including online wagering and gaming;
- the effects of the extensive governmental gaming regulation and taxation policies that we are subject to, as well as any changes in laws and regulations, including increased taxes, which could harm our business;
- the risks of litigation that seeks to cause the repeal of certain gaming laws or regulations on which we rely to conduct our business, including a lawsuit filed in Rhode Island that seeks to overturn the decision to permit sports wagering within Rhode Island;
- the risk that regulatory authorities may revoke, suspend, condition or limit our gaming or other licenses, impose substantial fines and take other adverse actions against any of our operations;
- the risk that any breach of the terms of the regulatory agreement we have entered into related to the operation of our Rhode Island properties could harm our business or limit our ability to grow our business;
- our obligation to fund multi-employer pension plans and the Dover Downs Gaming & Entertainment, Inc. Pension Plan (“Dover Downs Pension Plan”) for which we are responsible;
- our ability to realize the anticipated benefit from our acquisitions of Dover Downs and the Black Hawk Casinos and our proposed acquisition of two properties from Eldorado Resorts, Inc., including, without limitation, the anticipated operating results and other benefits we anticipate from these acquisitions;
- the risk that our acquisitions and other expansion opportunities divert management’s attention or cause us to incur substantial costs, or that we are otherwise unable to develop, profitably manage or successfully integrate the businesses we acquire;
- the risk that one or more closing conditions to our acquisition of two properties from Eldorado Resorts, Inc., including certain regulatory approvals, may not be satisfied or waived, on a timely basis or otherwise, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the proposed acquisition or may require conditions, limitations or restrictions in connection with such approvals;
- the risk that we may be unable to refinance our outstanding indebtedness as it comes due, or that if we do refinance indebtedness, the terms are not favorable to us;
- the risk that we may not declare future dividends on shares of our common stock in 2020 or beyond;
- the effects of extreme weather conditions or natural disasters on our facilities and the geographic areas from which we draw our customers, and our ability to recover insurance proceeds (if any) related thereto;
- the risk that our proposed joint venture with International Gaming Technology PLC (“IGT”) to form a new company that will focus on creating and maintaining a competitive gaming machine offering will not obtain the necessary state approval or will not be successful or consummated at all;

- the risk that we fail to adapt our business and amenities to changing customer preferences;
- the risk of failing to maintain the integrity of our information technology infrastructure, including cyber security hacking, enabling the unintended distribution of our customer data to third parties and access by third parties to our customer data;
- our estimated effective income tax rates, estimated tax benefits, and the merits of our tax positions;
- the potential of certain of our stockholders owning large interests in our capital stock to significantly influence our affairs; and
- the risk of hiring delays due to the regulatory approval process, including in the state of Rhode Island.

This list of risks and uncertainties, however, is only a summary of some of the most important factors that could cause our actual results to differ materially from those anticipated in forward-looking statements and is not intended to be exhaustive. You should carefully review the risks described under “Part I. Item 1A. Risk Factors,” as well as any other cautionary language in this Annual Report on Form 10-K, as the occurrence of any of these events could adversely affect our business, financial condition or results of operations, and such adverse effect could be material.

PART I

ITEM 1. BUSINESS

Unless otherwise specified, references to the “Company,” “Twin River,” “we,” “our” or “us” in this Annual Report on Form 10-K mean Twin River Worldwide Holdings, Inc. and all entities included in our consolidated financial statements along with the entity that owns the Golden Gates, Golden Gulch and Mardi Gras casinos, which became an indirect wholly-owned subsidiary on January 23, 2020. See the consolidated financial statements and notes thereto included in “Item 8. Financial Statements and Supplementary Data” of this Annual Report on Form 10-K for information regarding our financial performance.

Overview

We are a Delaware corporation headquartered in Providence, Rhode Island, and a multi-jurisdictional owner of gaming and racing facilities, including slot machines and various casino table games, and restaurant and hotel facilities. Through our wholly owned subsidiary Twin River Management Group, Inc. (“TRMG”), we currently own and manage the Twin River Casino Hotel (“Twin River Casino Hotel”) in Lincoln, Rhode Island, which is our flagship property, the Tiverton Casino Hotel (“Tiverton Casino Hotel”) in Tiverton, Rhode Island, the Hard Rock Hotel & Casino (“Hard Rock Biloxi”) in Biloxi, Mississippi, the Dover Downs Hotel & Casino (“Dover Downs Casino Hotel”) in Dover, Delaware, the Golden Gates, Golden Gulch and Mardi Gras casinos in Black Hawk, Colorado (collectively “Black Hawk Casinos”) and the Arapahoe Park racetrack and 13 off-track betting licenses (“Mile High USA”) in Aurora, Colorado. Following the closure of the Newport Grand Casino (“Newport Grand”) in August 2018, we opened the Tiverton Casino Hotel on September 1, 2018. On March 28, 2019, we completed our merger with Dover Downs Gaming & Entertainment Inc., which included Dover Downs Casino Hotel (collectively, “Dover Downs”). On January 23, 2020 we completed our acquisition of the Black Hawk Casinos. As of February 29, 2020, our casinos had an aggregate of over 446,000 square feet of gaming space, approximately 9,130 slot machines, approximately 267 gaming tables, approximately 54 stadium gaming positions, approximately 45 dining establishments, 25 bars, 1,200 hotel rooms and three entertainment venues.

Acquisitions

We seek to continue to grow our business by actively pursuing the acquisition and development of new gaming opportunities and reinvesting in our existing operations. In addition, we seek to increase revenues through enhancing the guest experience by providing popular games, restaurants, hotel accommodations, entertainment and other amenities in attractive surroundings with high-quality guest service.

Our recent and pending business acquisitions include:

- *Dover Downs* - On March 28, 2019, we completed our merger with Dover Downs, with Dover Downs becoming our indirect wholly-owned subsidiary (the “Merger”). As part of the Merger, Dover Downs shareholders received common stock of Twin River representing 7.225% of the equity of the combined company at closing. We expect to continue to operate the wholly-owned subsidiary as “Dover Downs, Inc.”
- *Black Hawk Casinos* - On January 23, 2020 we completed our acquisition of three casino properties in Black Hawk, Colorado: Golden Gates, Golden Gulch and Mardi Gras from a subsidiary of Affinity Gaming (“Affinity”) for an aggregate purchase price of \$53 million in cash, subject to certain customary post-closing adjustments. On November 5, 2019, Proposition DD was passed by the voters of Colorado, legalizing sports gambling in the state. As a result of this new legislation, we expect to receive three sports betting licenses in Colorado through the acquisition of the Black Hawk Casinos. We have entered into separate partnerships with DraftKings Inc. and FanDuel Group to provide sportsbook products through these licenses.
- *Isle Kansas City and Lady Luck Vicksburg* - On July 10, 2019, we entered into a definitive agreement with Eldorado Resorts, Inc., a Nevada corporation, to acquire the operations and real estate of Isle of Capri Casino Kansas City in Kansas City, Missouri (“Isle Kansas City”) and Lady Luck Casino Vicksburg in Vicksburg, Mississippi (“Lady Luck Vicksburg”) for an aggregate purchase price of \$230 million in cash, subject to certain customary post-closing adjustments. The transaction is subject to the satisfaction of certain customary closing conditions, including approval by the gaming regulators in Mississippi (which we received in October 2019) and Missouri, and is expected to close in the second quarter of 2020.

Assuming the closing of our pending acquisitions, we will operate ten properties in total. We believe these acquisitions have expanded and will, in the case of the pending acquisitions, further expand our operating footprint and diversify us from a financial standpoint, while continuing to mitigate our susceptibility to regional economic downturns, idiosyncratic regulatory changes and increases in regional competition.

Our Operating Structure

As of December 31, 2019, the Company has five operating segments; Twin River Casino Hotel, Hard Rock Biloxi, Tiverton Casino Hotel, Dover Downs and Mile High USA, which have been aggregated into the following three reportable segments: Rhode Island; Delaware; and Biloxi. Newport Grand, which represented an immaterial operating segment and operated up until its closing in August 2018, has been aggregated with Twin River Casino Hotel and Tiverton Casino Hotel to form the Rhode Island reportable segment. Our Biloxi segment includes only Hard Rock Biloxi. Our Delaware reportable segment includes only Dover Downs. The “Other” category includes Mile High USA, an immaterial operating segment. “Other” also includes interest expense for the Company and certain corporate operating expenses that are not allocated to the other segments, which include, among other expenses, share-based compensation, merger and acquisition costs and certain non-recurring charges. We anticipate that the Black Hawk Casinos will operate as a separate operating segment and we are still evaluating the reporting segment structure inclusive of the Black Hawk Casinos.

Our properties have historically generated strong free cash flow driven by income growth and low maintenance capital expenditures. Our Rhode Island and Delaware casinos do not currently bear the costs of Video Lottery Terminal (“VLT”) acquisitions, replacements or maintenance, as these responsibilities are borne by the respective state, in each case, and are paid for, in effect, by these states’ gaming taxes on VLT machine revenue.

Our operations are all within the United States. See Note 17 “Segment Reporting” to our consolidated financial statements presented in Part II, Item 8 for additional information.

Properties

As of February 29, 2020, we own and operate eight properties. We derive the majority of our total revenues from our gaming operations, which generated approximately 70% of total revenue in 2019, and 75% of total revenue in 2018 and 2017. Food and beverage revenue represents our next most significant revenue source, generating approximately 13% of total revenue in 2019, and 11% of total revenue in 2018 and 2017. Information relating to the location and general characteristics of our properties is provided in “Item 2. Properties”.

Intellectual Property

As of February 29, 2020, we own 28 trademarks and have three pending applications for trademarks with the U.S. Patent and Trademark Office.

As part of our acquisition of the Hard Rock Biloxi in July 2014, Hard Rock Biloxi entered into an amendment to the existing license agreement with Hard Rock Hotel, Licensing, Inc., which originally provided for an initial term of 20 years through September 2025 and the option to renew for two successive ten-year terms. Under the license agreement, we have the exclusive right to use the “Hard Rock” brand name in connection with, and as it relates to, the Hard Rock Biloxi property for an annual fee.

Competition

The gaming industry is characterized by a high degree of competition among a large number of operators, including land-based casinos, riverboat casinos, dockside casinos, video lotteries, video gaming terminals at taverns in certain states, sweepstakes and poker machines not located in casinos, Native American gaming, emerging varieties of Internet and fantasy sports gaming, increased sports betting and other forms of gaming in the United States (“U.S.”). In a broader sense, our gaming operations face competition from many leisure and entertainment activities, including, for example: shopping, athletic events, television and movies, concerts and travel. Legalized gaming is currently permitted in various forms in different parts of the U.S., in several Canadian provinces and on many lands taken into trust for the benefit of certain Native Americans in the U.S. and First Nations in Canada. Other jurisdictions, including states near our current properties (such as Massachusetts, Maryland, Pennsylvania, and Connecticut), have legalized and expanded or have plans to license additional gaming facilities, video gaming terminals and other gaming offerings (including sports wagering) in the near future. In addition, more gaming jurisdictions could award additional gaming licenses or permit the expansion or relocation of existing gaming operations. New, relocated or expanded operations by other companies could increase competition for our gaming operations and could adversely affect us. Finally, the imposition of smoking bans in Rhode Island or Mississippi and/or higher gaming tax rates in Mississippi, Colorado and Delaware, would have a significant impact on our properties’ ability to compete with facilities in nearby jurisdictions.

Various competitive properties have opened that may affect our flagship casino in Rhode Island. In November 2011, the Expanded Gaming Act was signed into law in Massachusetts, which allowed up to three commercial destination resort casinos located in three geographically diverse regions across the state and a single slots facility for one location statewide. In February 2014, the Massachusetts Gaming Commission (“MGC”) awarded the slots-only gaming license to Plainridge Park Casino in Plainville, Massachusetts, which opened in June 2015. In the third quarter of 2018, MGM Resorts International opened the Springfield resort casino in Springfield, Massachusetts, and in June 2019 the Encore Boston Harbor casino opened in Everett, Massachusetts. While we have taken various steps designed to increase our competitive position, including building a hotel adjacent to our Twin River Casino Hotel facility near Providence, Rhode Island, constructing a new facility in Tiverton, Rhode Island and obtaining regulatory approvals for changes in gaming operations designed to bolster our competitive position, the new competition, in particular with the opening of Encore Boston Harbor, had a negative impact on our results at Twin River Casino Hotel in 2019. Also, the Massachusetts Expanded Gaming Act allows the MGC at its discretion to award one additional commercial casino license, limited to the southeast region of Massachusetts. The MGC continues to evaluate whether to issue such license. Among other things, the regulatory agreement under which our Rhode Island properties operate (the “Regulatory Agreement”) prohibits us and our subsidiaries from owning, operating, managing, or providing gaming specific goods and services to any properties in Rhode Island (other than the Twin River Casino Hotel and Tiverton Casino Hotel), Massachusetts, Connecticut or New Hampshire, which may adversely affect growth and market opportunity in those states.

We also face gaming competition from the Mohegan Sun Casino & Resort and the Foxwoods Resort Casino, both in Connecticut, which are owned by the Mohegan Tribe and the Mashantucket Pequot Tribe, respectively. In addition, other federally recognized Native American tribes continue to pursue new gaming projects elsewhere in the northeastern United States.

In Delaware, we compete in local and regional markets with casinos, horse tracks and racinos. Many of our gaming competitors are in jurisdictions with a closer proximity to large population bases and with a lower tax burden. The introduction or expansion of gaming in neighboring jurisdictions, particularly Maryland, Virginia, West Virginia, Washington, D.C., Pennsylvania or New Jersey, the proliferation of internet gaming or the legalization of additional gaming venues in Delaware, could adversely affect our cash flows and results of operations. Delaware is surrounded by jurisdictions which permit slot machines and table games, such as Pennsylvania, New Jersey, Maryland and West Virginia. In recent years, the mid-Atlantic region has experienced an unprecedented expansion in gaming venues and gaming offerings and many analysts believe that the market is showing signs of saturation, in part due to the fact that new gaming venues often result in a substantial loss of business for existing locations.

Additionally, groups seeking federal recognition as Native American tribes, as well as federally recognized Native American tribes, continue efforts to establish or expand casino gaming on reservation lands. Additional casino gaming operations in the northeastern United States may adversely affect our results of operations in this market. We are unable to predict whether changes in federal recognition rules or efforts by federally recognized Native American tribes or groups seeking federal recognition as Native American tribes will lead to the establishment of additional tribal casino gaming operations in the northeastern United States.

In addition, in May 2018, the U.S. Supreme Court struck down as unconstitutional the Professional and Amateur Sports Protection Act of 1992, a federal statute enacted to stop the spread of state-sponsored sports gambling. This decision has the effect of lifting federal restrictions on sports wagering and leaves individual jurisdictions such as states to determine the legality of sports wagering. While new federal online gaming legislation has been introduced in Congress from time to time, there has been no federal legislative response to the U.S. Supreme Court’s decision.

As a result, numerous states, including, Nevada, Delaware, Mississippi, New Jersey, Pennsylvania, Rhode Island, West Virginia, New York, Tennessee, Colorado, New Mexico and Arkansas as well as Washington D.C. have passed legislation authorizing fixed-odds sports betting. Our Rhode Island, Delaware, and Mississippi properties now offer sports wagering pursuant to state law in each case, and we expect that our Black Hawk Casinos will soon offer sports betting.

We may also face competition from other gaming facilities which are able to offer sports wagering services following the enactment of applicable legislation. Numerous states that border our locations have pending or proposed legislation which would allow for sports betting, each of which could adversely affect our financial results.

Government Regulation

General

The gaming and racing industries are highly regulated and we must maintain licenses and pay gaming taxes in each jurisdiction in which we operate in order to continue operations. Each of our facilities is subject to extensive regulation under the laws, rules and regulations of the jurisdiction where it is located. These laws, rules and regulations generally concern the responsibility, financial stability, integrity and character of the owners, managers and persons with financial interests in the gaming operations. Violations of laws or regulations in one jurisdiction could result in disciplinary action in that and other jurisdictions.

Gaming laws are generally based upon declarations of public policy designed to protect gaming consumers and the viability and integrity of the gaming industry. Gaming laws also may be designed to protect and maximize state and local tax revenues, as well as to enhance economic development and tourism. To accomplish these public policy goals, gaming laws establish stringent procedures to ensure that participants in the gaming industry meet certain standards of character and responsibility. Among other things, gaming laws require gaming industry participants to:

- ensure that unsuitable individuals and organizations have no role in gaming operations;
- establish procedures designed to prevent cheating and fraudulent practices;
- establish and maintain anti-money laundering practices and procedures;
- establish and maintain responsible accounting practices and procedures;
- maintain effective controls over their financial practices, including establishing minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- maintain systems for reliable record keeping;
- file periodic reports with gaming regulators;
- establish programs to promote responsible gaming; and
- enforce minimum age requirements.

Typically, a state regulatory environment is established by statute and underlying regulations and is administered by one or more regulatory agencies with broad discretion to regulate the affairs of owners, managers and persons with financial interests in gaming operations. Among other things, gaming authorities in the various jurisdictions in which we conduct our business:

- adopt rules and regulations under the implementing statutes;
- interpret and enforce gaming laws and regulations;
- impose disciplinary sanctions for violations, including fines and penalties;
- review the character and fitness of participants in gaming operations and make determinations regarding their suitability or qualification for licensure;
- grant licenses for participation in gaming operations;
- collect and review reports and information submitted by participants in gaming operations;
- in the case of Rhode Island and Delaware, collect proceeds from our operations and provide us with commissions based on such proceeds;
- review and approve certain transactions, which may include acquisitions or change-of-control transactions of gaming industry participants and securities offerings and debt transactions engaged in by such participants; and
- establish and collect fees and taxes in jurisdictions where applicable.

Any change in the laws or regulations of a gaming jurisdiction could adversely affect our gaming operations.

Licensing and Suitability Determinations

Gaming laws require us, and each of our subsidiaries engaged in gaming operations, certain of our directors, officers and employees, and in some cases, certain of our shareholders, to obtain licenses from gaming authorities. Licenses typically require a determination that the applicant qualifies or is suitable to hold the license. Gaming authorities have broad discretion in determining whether an applicant qualifies for licensing or should be deemed suitable. Criteria used in determining whether to grant or renew a license to conduct gaming operations, while varying among jurisdictions, generally include consideration of factors such as:

- the character, honesty and integrity of the individual applicant;
- the financial stability, integrity and responsibility of the entity applicant, including whether its operation is adequately capitalized in the state and whether it exhibits the ability to maintain adequate insurance levels;
- the quality of the entity applicant's casino facilities;
- the amount of revenue to be derived by the applicable state from the operation of the entity applicant's casino; and
- the effect on competition and general impact on the community of the entity applicant's casino or racing operations.

In evaluating individual applicants, gaming authorities consider the individual's business experience and reputation for good character, the individual's criminal history and the character of those with whom the individual associates.

Some gaming jurisdictions limit the number of licenses granted to operate casinos within the state, and some states limit the number of licenses granted to any one gaming operator. Licenses under gaming laws are generally not transferable without regulatory approval. Licenses in the jurisdictions in which we conduct gaming operations are granted for limited durations and require renewal from time to time. There can be no assurance that any of our licenses will be renewed. The failure to renew any of our licenses could adversely affect our gaming operations.

In addition to us and our direct and indirect subsidiaries engaged in gaming operations, gaming authorities may investigate any individual who has a material relationship to or material involvement with any of our entities to determine whether such individual is suitable or should be licensed. Our officers, directors and certain key employees must file applications with the gaming authorities and may be required to be licensed or to qualify or be found suitable in many jurisdictions. Gaming authorities may deny an application for licensing for any cause which they deem reasonable. Qualification and suitability determinations require submission of detailed personal and financial information followed by a thorough investigation. The applicant must pay all the costs of the investigation. Changes in licensed positions must be reported to gaming authorities and, in addition to their authority to deny an application for licensure, qualification or a finding of suitability, gaming authorities have jurisdiction to disapprove a change in a corporate position.

If one or more gaming authorities were to find that an officer, director or key employee fails to qualify or is unsuitable for licensing or unsuitable to continue having a relationship with us, we would be required to sever all relationships with such person. In addition, gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications.

Moreover, in many jurisdictions, certain of our shareholders may be required to undergo a suitability investigation similar to that described above. Many jurisdictions require any person who acquires beneficial ownership of more than a certain percentage of our voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability. Many gaming authorities, including certain jurisdictions that we operate in, allow an "institutional investor" to apply for a waiver or a reduced disclosure obligation. An "institutional investor" is generally defined as an investor acquiring and holding voting securities in the ordinary course of business as an institutional investor for passive investment purposes only, and not for the purpose of causing, directly or indirectly, the election of a member of our board of directors (the "Board"), any change in our corporate charter, bylaws, management, policies or operations, or those of any of our gaming affiliates, or the taking of any other action which gaming authorities find to be inconsistent with holding our voting securities for passive investment purposes only. Even if a waiver or reduced disclosure obligation is granted, an institutional investor generally may not take any action inconsistent with its status when the waiver was granted without once again becoming subject to the foregoing reporting and application obligations.

Generally, any person who fails or refuses to apply for a finding of suitability or a license within the prescribed period after being advised that it is required by gaming authorities may be denied a license or found unsuitable, as applicable. Pursuant to the Company's bylaws, if a shareholder were to be found by an applicable gaming authority to be an unsuitable person, or if the Board were otherwise to determine that a shareholder is an unsuitable person under applicable gaming laws, then the Company may, subject to compliance with the bylaws, redeem such shareholder's voting securities. In addition, in these circumstances, until such voting securities are owned by suitable shareholders, (1) the Company would not be required or permitted to pay any dividend, payment, distribution or interest with respect to such voting securities, (2) the unsuitable shareholder holder would not be entitled to exercise any voting rights in respect of such voting securities, (3) the Company would not pay any remuneration in any form to the holder of such voting securities (other than, if applicable, the redemption price for such securities), (4) no unsuitable person could continue as a manager, officer, partner or director of the Company or any subsidiary of the Company, and (5) all other rights (including economic and voting rights) of such unsuitable persons in respect of the voting securities would be suspended.

Violations of Gaming Laws

If we or our subsidiaries violate applicable gaming laws, our gaming licenses could be limited, conditioned, suspended or revoked by gaming authorities, and we and any other persons involved could be subject to substantial fines. Further, a supervisor or conservator can be appointed by gaming authorities to conduct operations at our gaming properties, or in some jurisdictions, take title to our gaming assets in the jurisdiction, and under certain circumstances, earnings generated during such appointment could be forfeited to the applicable state or states. Furthermore, violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. As a result, violations by us of applicable gaming laws could adversely affect our gaming operations.

Some gaming jurisdictions prohibit certain types of political activity by a gaming licensee, its officers, directors and key people. A violation of such a prohibition may subject the offender to criminal and/or disciplinary action.

Reporting and Record-Keeping Requirements

We are required periodically to submit detailed financial and operating reports and furnish any other information about us or our subsidiaries which gaming authorities may require. Under federal law, we are required to record and submit detailed reports of currency transactions involving greater than \$10,000 at our casinos, as well as any suspicious activity that may occur at such facilities. Failure to comply with these requirements could result in fines or cessation of operations. We are required to maintain a current stock ledger which may be examined by gaming authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to gaming authorities. A failure to make such disclosure may be grounds for finding the record holder unsuitable. Gaming authorities may require certificates for our securities to bear a legend indicating that the securities are subject to specified gaming laws.

Review and Approval of Transactions

Substantially all material loans, leases, sales of securities and similar financing transactions by us and our subsidiaries must be reported to, and in some cases approved by, gaming authorities. Neither us nor any of our subsidiaries may make a public offering of securities without the prior approval of certain gaming authorities. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise are subject to receipt of prior approval of gaming authorities. Entities seeking to acquire control of us or one of our subsidiaries must satisfy gaming authorities with respect to a variety of stringent standards prior to assuming control. Gaming authorities may also require controlling shareholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control to be investigated and licensed as part of the approval process relating to the transaction.

Because of regulatory restrictions, our ability to grant a security interest in any of our gaming assets is limited and subject to receipt of prior approval by certain gaming authorities.

License Fees and Gaming Taxes

We pay substantial taxes in our jurisdictions, including some of the cities and towns in which our operations are conducted, in connection with our casino gaming operations, computed in various ways depending on the type of gaming or activity involved and the jurisdiction where our operations are conducted. Depending upon the particular fee or tax involved, these fees and taxes are payable with varying frequency. License fees and taxes are based upon such factors as:

- a percentage of the gaming revenues received;
- the number of gaming devices and table games; and/or
- one-time fees payable upon the initial receipt of a license and fees in connection with the renewal of a license.

In some jurisdictions, gaming tax rates are graduated such that the tax rates increase as gaming revenue increases. Tax rates are subject to change, sometimes with little notice, and such changes could adversely affect our gaming operations.

In addition to taxes specifically unique to gaming, we are required to pay all other applicable taxes, such as income and property taxes.

Rhode Island Commissions

In Rhode Island, our gaming operations are subject to extensive regulation by the Rhode Island Department of Business Regulation and the Division of Lotteries of the Rhode Island Department of Revenue. Similar to Delaware and unlike the other jurisdictions in which we operate, Rhode Island does not have a traditional tax on gaming operations. The state receives all of the gaming win that comes into our Rhode Island operations and then pays us a percentage of the gaming win. As a result, our revenue from Rhode Island operations reflects only the net amount we are paid of the total gaming win from our Rhode Island casinos. As of December 31, 2019, Twin River Casino Hotel is entitled to a 28.85% share of VLT revenue on the initial 3,002 units and a 26.00% share on VLT revenue generated from units in excess of 3,002. Tiverton Casino Hotel is and Newport Grand was entitled to receive a percentage of VLT revenue that is equivalent to the percentage received by Twin River Casino Hotel. Twin River Casino Hotel and Tiverton Casino Hotel are entitled to an 83.5% share of table games revenue.

Delaware Commissions

In Delaware, our gaming operations are subject to extensive regulations related to our operations by the Delaware State Lottery Office, Delaware's Department of Safety and Homeland Security, Division of Gaming Enforcement and the Delaware Harness Racing Commission. Similar to the Rhode Island jurisdiction, Delaware does not have a traditional tax on gaming operations. The Delaware State Lottery Office sweeps the win from the casino operations, collects the State's share of the win and the amount due to the vendors under contract with the State who provide the slot machines and associated computer systems, collects the amount allocable to purses for harness horse racing and remits the remainder to us as our commission. As a result, our revenue from Delaware operations reflects only the net amount we are paid of the total gaming win from our Delaware casino and raceway. As of December 31, 2019, Dover Downs was entitled to an approximate 42% share of VLT revenue and 80% share of table games revenue.

Colorado Gaming Taxes

The Colorado Constitution provides for a tax on the total amount wagered less all payouts to players at graduated annual rates. The gaming tax rates in effect as of July 1, 2008 can only be increased by amendment to the Colorado Constitution by voters in a statewide election. With respect to games of poker, the tax is calculated based on the sums wagered that are retained by the licensee as compensation, which must be consistent with the minimum and maximum amounts established by the Colorado Commission. The tax is assessed on each individual Colorado license, so separately for each of our three properties in Black Hawk, Colorado. The graduated rates effective for each license as of July 1, 2012 are:

- 0.25% up to and including \$2 million of the subject amounts;
- 2.0% on amounts from \$2 million to \$5 million;
- 9.0% on amounts from \$5 million to \$8 million;
- 11.0% on amounts from \$8 million to \$10 million;
- 16.0% on amounts from \$10 million to \$13 million; and
- 20.0% on amounts over \$13 million.

The City of Black Hawk also assesses monthly device fees that are based on the number of gaming devices operated. These consist of an \$87.50 fee per slot device, \$350.00 per table game device, and a transportation fee of \$3.39 for each slot and table game device.

Mississippi Gaming Taxes

The State of Mississippi requires all establishments where gaming is conducted and where gambling devices are operated to pay annual license fees and weekly gross revenue fees. Under Mississippi law, each applicant for a license to conduct gaming must pay an annual license fee of \$5,000.

An additional license fee based on the number of games pursuant to applicable Mississippi law is due before or at the time of application, then annually on the anniversary date of license based on the following schedule:

1 Game	\$50
2 Games	\$100
3 Games	\$200
4 Games	\$375
5 Games	\$875
6 to 7 Games	\$1,500
8, 9 or 10 Games	\$3,000
11-16 Games	\$500 each game (from 1-16)
17-26 Games	\$8,000 plus \$4,800 each game (from 17-26)
27-35 Games	\$56,000 plus \$2,800 each game (from 27-35)
Over 35 Games	\$81,200 plus \$100 each game (over 35)

A weekly gross revenue fee under applicable Mississippi law requires the payment of taxes by the Friday of the week following the week in which fees accrue. A monthly reconciliation return is due by the 20th day of the month following the month in which fees accrue based on the following schedule:

First \$50,000 Gross Revenue	4%
Next \$84,000 Gross Revenue	6%
All Gross Revenue over \$134,000	8%

Additionally, a City of Biloxi municipal/county ordinance sets a \$150 per gaming device annual fee and we pay a 3.2% monthly gross revenue tax.

Operational Requirements

In our jurisdictions, we are subject to certain requirements and restrictions on how we must conduct our gaming operations. Some gaming jurisdictions prohibit cash distributions from a gaming operation, except to allow for the payment of taxes, if the distribution would impair the financial viability of the gaming operation. Moreover, many jurisdictions require a gaming operation to maintain insurance and post bonds in amounts determined by their gaming authority.

In addition, our ability to conduct certain types of games, introduce new games or move existing games within our facilities may be restricted or subject to regulatory review and approval.

Racetracks

We conduct horse racing operations at our racetracks in Aurora, Colorado and Dover, Delaware and operate additional OTB locations throughout Colorado. Regulations governing our horse racing operation in Colorado and Delaware are administered separately from the regulations governing gaming operations, with separate licenses and license fee structures. The racing authorities responsible for regulating our racing operations have broad oversight authority, which may include: annually reviewing and granting racing licenses and racing dates, approving the opening and operation of OTB facilities, approving simulcasting activities, licensing all officers, directors, racing officials and certain other employees of a racing licensee, and approving certain contracts entered into by a racing licensee affecting racing, pari-mutuel wagering, account wagering and OTB operations.

Rhode Island Investigation

On June 14, 2019, Rhode Island State Police executed search warrants seeking evidence from the Company and a former non-officer management employee. The Company also understood the State Police may have sought evidence from a third party who leases certain food court facilities in the Lincoln, Rhode Island facility. The Company cooperated fully in the state investigation, as well as reviewed its internal records relating to the matter. The Rhode Island Attorney General's office continually advised the Company's legal counsel that it and its employees (excluding the former non-officer management employee) were not targets or subjects in the investigation. On December 17, 2019, the Rhode Island Attorney General announced the unsealing of the grand jury Indictment against the former non-officer management employee whose employment has been terminated, a casino vendor and his associate. The former non-officer management employee's prior termination of employment from the Company was converted to a termination with justifiable cause pursuant to the terms of his employment agreement as a result of the Indictment. The Indictment includes counts against the defendants including bribery in violation of Rhode Island General Laws § 11-7-4, obtaining property under false pretense in violation of Rhode Island General Laws § 11-41-4, conspiracy in violation of Rhode Island General Laws § 11-1-6 and casino gaming crimes/providing false information in violation of Rhode Island General Laws § 42-61.3-2(b)(19). The defendants were arraigned in Providence County Superior Court on December 17, 2019 and a pretrial conference was scheduled. The Company has put its insurance carrier on notice under the terms of its crime policy.

The Regulatory Agreement

On November 13, 2019, certain of our subsidiaries, the Rhode Island Department of Business Regulation and the Division of Lotteries of the Rhode Island Department of Revenue amended and restated the Regulatory Agreement (the "Regulatory Agreement"), replacing the previous regulatory agreement dated July 1, 2016. The Regulatory Agreement sets forth certain requirements with respect to the Division of Lotteries of the Rhode Island Department of Revenue and the Rhode Island Department of Business Regulation's regulatory oversight of us. The Regulatory Agreement contains financial and other covenants that, among other things, (1) restrict the acquisition of stock and other financial interests in the Company, (2) relate to the licensing and composition of members of our management and Board, (3) prohibit certain competitive activities and related-party transactions, and (4) restrict our ability to declare or make restricted payments, or incur additional indebtedness, or take certain other actions, if the Company's leverage ratio exceeds 4.75 to 1.00 (as such ratio is defined in the Regulatory Agreement). This ratio level is subject to potential reduction after June 30, 2021.

The Regulatory Agreement also provides affirmative obligations, including setting a minimum number of employees that we must employ in Rhode Island and providing the Rhode Island Department of Business Regulation and the Division of Lotteries of the Rhode Island Department of Revenue with periodic information updates about us. Among other things, the Regulatory Agreement prohibits us and our subsidiaries from owning, operating, managing or providing gaming specific goods and services to any properties in Rhode Island (other than Twin River Casino Hotel and Tiverton Casino Hotel), Massachusetts, Connecticut or New Hampshire. Termination of the Regulatory Agreement may be effected by the Rhode Island Department of Business Regulation and the Division of Lotteries of the Rhode Island Department of Revenue at any time acting in their sole discretion and in accordance with the laws of the State of Rhode Island. Termination may be effected by us if we are no longer involved in the ownership or management of the Lincoln or Tiverton facilities. A failure to comply with the provisions in the Regulatory Agreement could subject us to injunctive or monetary relief, payments to the Rhode Island regulatory agencies and ultimately the revocation or suspension of our licenses to operate in Rhode Island.

Delaware Regulation

Delaware law regulates the percentage of commission we are entitled to receive from our gaming activities at Dover Downs Hotel & Casino. Video lottery operations, sports wagering, table game and internet gaming operations are by statute operated and administered by the Director of the Delaware State Lottery Office (the "Lottery Director") and Delaware's Department of Safety and Homeland Security, Division of Gaming Enforcement. Dover Downs is a Licensed Agent authorized to conduct these activities under the Delaware State Lottery Code. The Lottery Director has discretion to adopt such rules and regulations as the Lottery Director deems necessary or desirable for the efficient and economical operation and administration of the lottery.

We neither own nor lease the slot machines or computer systems used by Delaware in connection with our video lottery gaming operations. The Lottery Director enters into contracts directly with the providers of the slot machines and computer systems and we are not a party to those negotiations. Delaware purchases or leases all equipment and the Lottery Director licenses all technology from the providers, and we share in the expense. Similarly, but at no expense to us, the Lottery Director enters into contracts directly with internet service providers. Our operations could be disrupted if a licensed technology provider violates its agreement with Delaware or ceases to be licensed for any reason. Such an event would be outside of our control and could adversely affect our gaming revenues.

Our gaming license in Delaware allows for video lottery operations, sports wagering, table games and internet gaming operations. Delaware gaming licenses do not have an expiration date. However, the Lottery Director may revoke or suspend the license of a Licensed Agent, such as ours, for “cause”. In order to maintain our gaming license with the Delaware Lottery, we are required to maintain our license for harness horse racing with the Delaware Harness Racing Commission (“DHRC”) and must conduct a minimum of 80 live race days each racing season, subject to the availability of racing stock. We hold a license from the DHRC, through which we are authorized to hold harness race meetings on our premises, and to make, conduct and sell pools through the use of pari-mutuel machines or totalizators. The license requires renewal on an annual basis. DHRC may reject an application for a license for any cause which it deems sufficient, and the action of the DHRC is final. Any license granted by the DHRC may also be subject to such reasonable rules and regulations as may be prescribed from time to time by the United States Trotting Association. If we were to lose our license from the DHRC, we would not be able to conduct our gaming operations at Dover Downs.

Mississippi Regulation

We are subject to the licensing and regulatory control of the Mississippi Gaming Commission, and are required to periodically submit detailed financial, operating and other reports to the Mississippi Gaming Commission and furnish any other information which the Mississippi Gaming Commission may require. If we are unable to satisfy the requirements of the Mississippi Act, we cannot own or operate gaming facilities in Mississippi. We are also required to periodically submit detailed financial, operating and other reports to the Mississippi Gaming Commission and the Mississippi Department of Revenue and to furnish any other information required thereby. With certain exceptions, no person may become a shareholder of, or receive any percentage of profits from, the casino licensees without first obtaining licenses and approvals from the Mississippi Gaming Commission.

Colorado Regulation

The Colorado Division of Gaming within the Colorado Department of Revenue oversees licensing and supervision of conduct regarding limited stakes gaming in Colorado. Operation of limited stakes gaming facilities in Colorado are subject to the Colorado Gaming Regulations (the “Colorado Regulations”) and final authority of the Colorado Limited Gaming Control Commission (the “Colorado Commission”).

Limited stakes gaming is lawful pursuant to an amendment to the Colorado Constitution (the “Colorado Amendment”), in the cities of Central City, Black Hawk and Cripple Creek. Currently, limited stakes gaming means a maximum single bet of \$100 on slot machines and permitted table games. Gaming is permitted to be conducted 24 hours each day.

The Colorado Commission has enacted Rule 4.5, which imposes requirements on publicly traded corporations holding gaming licenses in Colorado and on gaming licenses owned directly or indirectly by a publicly traded corporation, whether through a subsidiary or intermediary company. Such requirements automatically apply to any ownership interest held by a publicly traded corporation, holding company or intermediary company thereof, where the ownership interest directly or indirectly is, or will be upon approval of the Colorado Commission, 5% or more of the entire licensee. If the Colorado Commission determines that a publicly traded corporation or a subsidiary, intermediary company or holding company has the actual ability to exercise influence over a licensee, regardless of the percentage of ownership possessed by such entity, the Colorado Commission may require the entity to comply with the disclosure regulations contained in Rule 4.5.

Employees and Labor Relations

As of February 29, 2020, we had approximately 4,831 employees. We consider our employee relations to be good. Most of our employees in Rhode Island are represented by a labor union and have collective bargaining agreements with us. Employees in Delaware, Mississippi and Colorado are not represented by any labor union.

Corporate Information

We were incorporated in Delaware on March 1, 2004. Our principal executive offices are located at 100 Westminster Street, Providence, Rhode Island 02903, and our telephone number is (401) 475-8474. Our website address is www.twininriverwwholdings.com. The information that is contained in, or that is accessed through, our website is not part of this filing.

Available Information

As a publicly traded company we are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”). These filings are also available on the SEC’s website at www.sec.gov. We make our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, and all amendments to these reports, available free of charge through our corporate website as soon as reasonably practicable after such reports are filed with, or furnished to, the SEC. In addition, our Code of Business Conduct, Corporate Governance Guidelines, and charters of the Audit Committee, the Compensation Committee, the Compliance Committee, and the Nominating and Governance Committee are available on our website, www.twinriverwwholdings.com.

References in this document to our website address do not incorporate by reference the information contained on the website into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

In addition to the other information contained in this Annual Report on Form 10-K, the following Risk Factors should be considered carefully in evaluating our business.

If any of the following risks actually occur, our business, financial condition and results of operations could be adversely affected. If this were to happen, the value of our securities, including our common stock, could decline significantly, and investors could lose all or part of their investment.

The gaming industry is very competitive and increased competition, including through legislative legalization or expansion of gaming by states in or near where we own facilities or through Native American gaming facilities and internet gaming, could adversely affect our financial results.

We face significant competition in all of the areas in which we conduct our business. Increased competitive pressures may adversely affect our ability to continue to attract customers or affect our ability to compete efficiently.

Several of the facilities where we conduct our business are located in jurisdictions that restrict gaming to certain areas and/or may be affected by state laws that currently prohibit or restrict gaming operations. We also face the risk that existing casino licensees will expand their operations and the risk that Native American gaming will continue to grow. Budgetary and other political pressures faced by state governments could lead to intensified efforts directed at the legalization of gaming in jurisdictions where it is currently prohibited. The legalization of gaming in such jurisdictions could be an expansion opportunity for our business, or create competitive pressures, depending on where the legalization occurs and our ability to capitalize on it. Our ability to attract customers to the existing casinos which we own could be significantly and adversely affected by the legalization or expansion of gaming in certain jurisdictions and by the development or expansion of Native American casinos in areas where our customers may visit.

In addition, our competitors may refurbish, rebrand or expand their casino offerings, which could result in increased competition. Furthermore, changes in ownership may result in improved quality of our competitors’ facilities, which may make such facilities more competitive. Certain of our competitors are large gaming companies with greater name recognition and marketing and financial resources. In some instances, particularly in the case of Native American casinos, our competitors pay lower taxes or no taxes. These factors create additional challenges for us in competing for customers and accessing cash flow or financing to fund improvements for our casino and entertainment products that enable us to remain competitive.

We also compete with other forms of legalized gaming and entertainment such as bingo, pull-tab games, card parlors, sports books, pari-mutuel or simulcast betting on horse and dog racing, state-sponsored lotteries, instant racing machines, VLTs (including racetracks that offer VLTs), and video poker terminals and, in the future, we may compete with gaming or entertainment at other venues. Further competition from internet lotteries and other internet wagering gaming services, which allow their customers to wager on a wide variety of sporting events and play Las Vegas-style casino games from home, could divert customers from the facilities we own and thus adversely affect our business. Such internet wagering services are likely to expand in future years and become more accessible to domestic gamblers as a result of U.S. Department of Justice positions related to the application of federal laws to intrastate internet gaming and initiatives in some states to consider legislation to legalize intrastate internet wagering. The law in this area has been rapidly evolving, and additional legislative developments may occur at the federal and state levels that would accelerate the proliferation of certain forms of internet gaming in the United States.

In addition, in May 2018, the U.S. Supreme Court struck down as unconstitutional the Professional and Amateur Sports Protection Act of 1992, a federal statute enacted to stop the spread of state-sponsored sports gambling. This decision has the effect of lifting federal restrictions on sports wagering and thus allows states to determine by themselves the legality of sports wagering. While new federal online gaming legislation has been introduced in Congress from time to time, there has been no federal legislative response to the U.S. Supreme Court's decision.

As a result, numerous states, including states we operate in currently in Rhode Island, Delaware, Mississippi and Colorado have passed legislation authorizing fixed-odds sports betting. Our Rhode Island, Delaware and Mississippi properties now offer sports wagering pursuant to state law in each case and the properties we have recently acquired in Black Hawk, Colorado will also offer sports wagering.

We may also face competition from other gaming facilities which are able to offer sports wagering services (including mobile sports wagering) following the enactment of applicable legislation. Numerous states that border the states in which we operate have pending or proposed legislation which would allow for sports betting, each of which could have an adverse effect on our financial results.

Our gaming operations (including our online wagering and sports gaming operations) rely heavily on technology services and software provided by third parties. In the event that there is an interruption of these services, it may have an adverse effect on our operations and financial condition.

We, or one of our state regulatory bodies, engage a number of third parties to provide gaming operating systems for the facilities we own. As a result, we rely on such third parties to provide uninterrupted services in order to run our business efficiently and effectively. In the event one of these third parties experiences a disruption in its ability to provide such services (whether due to technological or financial difficulties or power problems), this may result in a material disruption to the wagering activity at the casinos which we own and have a material adverse effect on our business, operating results and financial condition.

Any unscheduled interruption in our technology services is likely to result in an immediate, and possibly substantial, loss of revenues due to a shutdown of our gaming operations, cloud computing and lottery systems. Such interruptions may occur as a result of, for example, catastrophic events or rolling blackouts. Our systems are also vulnerable to damage or interruption from earthquakes, floods, fires, telecommunication failures, hurricanes, terrorist attacks, computer viruses, computer denial-of-service attacks and similar events.

Increased competition in our Rhode Island market, in particular, could adversely affect our business, results of operations and financial condition.

Various competitive properties have opened and may be opening in the future that may affect our Twin River Casino Hotel in Rhode Island, and perhaps our Tiverton Casino Hotel in Rhode Island as well. In November 2011, the Expanded Gaming Act was signed into law in Massachusetts, which allowed up to three commercial destination resort casinos located in three geographically diverse regions across the state and a single slots facility for one location statewide. In February 2014, the MGC awarded the slots-only gaming license to Plainridge Park Casino in Plainville, Massachusetts which opened in June 2015. In the third quarter of 2018, MGM Resorts International opened the \$1.0 billion Springfield resort casino in Springfield, Massachusetts, and Encore Boston Harbor opened in June 2019. We have taken various steps designed to increase our competitive position, including building a hotel adjacent to our Twin River Casino Hotel property in Lincoln, Rhode Island, near Providence, Rhode Island, constructing a new facility in Tiverton, Rhode Island and obtaining regulatory approvals for changes in gaming operations. There can be no assurance that these steps will be effective, or the ultimate effect of this additional competition. In addition, the Expanded Gaming Act allows the MGC at its discretion to award one additional commercial casino license, limited to the southeast region of the Commonwealth. The MGC has solicited public comment since late in 2018 on this issue as it continues to evaluate whether to issue such license. Finally, construction of a tribal casino in Taunton, Massachusetts is currently on hold following several rulings negating the validity of the tribe's land in trust taking. Further, a House bill has been introduced in Congress that would award the land in trust to the tribe and prevent any further litigation, including pending cases, with regard to its status. The outcome of challenges to the rulings and the likelihood of the proposed legislation is inherently uncertain.

Our business is particularly sensitive to reductions in discretionary consumer spending.

Consumer demand for casinos and casino hotel properties, such as ours, is sensitive to downturns in the economy and the associated impact on discretionary consumer spending on leisure activities. Any adverse change in general economic conditions (including those that impact the stock market) can adversely affect consumer spending, which can adversely affect our ability to generate revenues from operations. Adverse developments affecting economies throughout the world including a general tightening of the availability of credit, increasing energy costs, rising prices, inflation, acts of war or terrorism, natural disasters, declining consumer confidence, significant declines in the stock market or epidemics, pandemics or other health-related events or widespread illnesses, like the ongoing outbreak of the COVID-19 virus, could lead to a reduction in visitors to our properties, including those that stay in our hotels, or discretionary spending by our customers on entertainment and leisure activities, which could adversely affect our business, financial condition and results of operations.

Recessions have affected our business and financial condition, and economic conditions may continue to affect them in ways that currently cannot accurately be predicted.

Economic recessions have had, and may continue to have, far reaching adverse consequences across many industries, including the gaming industry, which may adversely affect our business and financial condition. In the past decade, the U.S. economy has experienced periods of weakness and recession following a financial crisis, which resulted in increased unemployment, decreased consumer spending and a decline in housing values. Presently, the ongoing outbreak of the COVID-19 virus threatens the return of a recessionary environment that, should it occur and continue, could materially and adversely impact our business. Moreover, we rely on the strength of regional and local economies for the performance of each of our properties. If the national economy experiences another recession or any of the relevant regional or local economies suffers a downturn, we may experience a material adverse effect on our business, results of operations and financial condition.

Our insurance and self-insurance programs may not be adequate to cover future claims.

We use a combination of insurance and self-insurance to provide for potential liabilities, including employee healthcare benefits, up to certain stop-loss amounts which limit our exposure above the amounts we have self-insured. We estimate the liabilities and required reserves associated with the risks we retain. Any such estimates and actuarial projection of losses is subject to a considerable degree of variability. A considerable increase in claims as a result of a pandemic including COVID-19, should they occur, could have a material adverse effect on our business, financial condition or results of operations. If actual losses incurred are greater than those anticipated, our reserves may be insufficient and additional costs could be recorded in our consolidated financial statements. If we suffer a substantial loss that exceeds our self-insurance reserves, and any excess insurance coverage, the loss and attendant expenses could harm our business, financial condition, or results of operations.

We are subject to extensive state and local regulation and licensing, and gaming authorities have significant control over our operations, which could have an adverse effect on our business.

Our ownership and operation of casino gaming and horse racing facilities and online offerings are subject to extensive state and local regulation, and regulatory authorities at the state and local levels have broad powers with respect to the licensing of these businesses, and may revoke, suspend, condition, fail to renew or limit our gaming or other licenses, impose substantial fines and take other actions, each of which poses a significant risk to our business, results of operations and financial condition. We currently hold all state and local licenses and related approvals necessary to conduct our present operations, but must periodically apply to renew many of these licenses and registrations and have the suitability of certain of our directors, officers and employees renewed. There can be no assurance that we will be able to obtain such renewals or that we will be able to obtain future approvals that would allow us to expand our gaming operations. Any failure to maintain or renew existing licenses, registrations, permits or approvals would have a material adverse effect on us. Furthermore, if additional gaming laws or regulations are adopted in jurisdictions where we operate, these regulations could impose additional restrictions or costs that could have a significant adverse effect on us.

Any of the Rhode Island Department of Business Regulation and the Division of Lotteries of the Rhode Island Department of Revenue, the Mississippi Gaming Commission, the Delaware Gaming Commission, the Colorado Department of Revenue, Division of Gaming or the Colorado Racing Commission may, in their discretion, require certain holders of any securities issued by us to file applications, be investigated and be found suitable to own our securities if it has reason to believe that the security ownership would be inconsistent with the declared policies of its respective state. The Rhode Island regulatory authorities limit the ability of third parties to acquire (1) 5% or more of our common stock, unless the shareholder has been granted a gaming license or the ownership is otherwise approved by the Rhode Island regulatory authorities, (2) 20% or more of our outstanding common stock, unless the acquiring shareholder has been granted a gaming license by the Rhode Island regulatory authorities or such ownership is otherwise approved or (3) as to passive institutional investors, generally 15% or more of our common stock, but in all cases the amount approved by the Rhode Island regulatory authorities with respect to that investor.

The Delaware regulatory authorities limit the ability of third parties to acquire 10% or more of our common stock, or, as to passive institutional investors, up to 15% of our common stock, unless the acquiring shareholder has been granted a license by the Delaware regulatory authorities or such ownership is otherwise approved. The Delaware regulatory authorities have adopted regulations substantially similar to those in effect in Rhode Island permitting a waiver for institutional shareholders who own up to 15% of a regulated company. The Colorado regulatory authorities limit the ability of third parties to acquire (1) 5% or more of our common stock, unless the shareholder has provided notice to the Colorado regulatory authorities of such holdings and comply with any further requirements, (2) 10% or more of our common stock, unless the shareholder has been found suitable by the Colorado regulatory authorities or been deemed a passive institutional investor, or (3) 20% or more of our common stock, unless the shareholder has been found suitable by the Colorado regulatory authorities. The costs of any investigation conducted by any of these or other gaming authorities under these circumstances must be paid by the applicant, and refusal or failure to pay these charges may constitute grounds for a finding that the applicant is unsuitable to own the securities. If any of the gaming authorities with regulatory oversight over our operations determines that a person is unsuitable to own our securities, then, under the applicable gaming or horse racing laws and regulations, we could be sanctioned, including the loss of approvals, if, without the prior approval of the applicable gaming authority, we conduct certain business with the unsuitable person.

Our officers, directors and key employees are also subject to a variety of regulatory requirements and various licensing and related approval procedures in the various jurisdictions in which we manage gaming facilities. If any applicable gaming authority were to find any of our officers, directors, or key employees unsuitable for licensing or unsuitable to continue having a relationship with us, we would have to sever all relationships with that person. Furthermore, the applicable gaming authority may require us to terminate the employment of any person who refuses to file appropriate applications. Either result could adversely affect our gaming operations.

Applicable gaming laws and regulations may restrict our ability to issue certain securities, incur debt and undertake other financing activities. Such transactions would generally require notice and/or approval of applicable gaming authorities, and our financing counterparties, including lenders, might be subject to various licensing and related approval procedures in the various jurisdictions in which we manage gaming facilities. Applicable gaming laws further limit our ability to engage in certain competitive activities and impose requirements relating to the composition of our board of directors and senior management personnel. If state regulatory authorities were to find any person unsuitable with regard to his, her or its relationship to us or any of our subsidiaries, we would be required to sever our relationship with that person, which could materially adversely affect our business.

We are subject to numerous other federal, state and local laws that may expose us to liabilities or have a significant adverse impact on our operations. Changes to any such laws could have a material adverse effect on our operations and financial condition.

Our business is subject to a variety of other federal, state and local laws, rules, regulations and ordinances. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Changes to any of the laws, rules, regulations or ordinances to which we are subject, new laws or regulations, or material differences in interpretations by courts or governmental authorities could have an adverse effect on our business, financial condition, results of operations and prospects.

Many of our employees, especially those that interact with our customers, receive a base salary or wage that is established by applicable state and federal laws that establish a minimum hourly wage that is, in turn, supplemented through tips and gratuities from customers. From time to time, state and federal lawmakers have increased the minimum wage. It is difficult to predict when such increases may take place. Any such change to the minimum wage could have a material adverse effect on our business, financial condition, results of operations and prospects.

The sale of alcoholic beverages is a highly regulated and taxed business. Federal, state and local laws and regulations govern the production and distribution of alcoholic beverages, including permitting, licensing, trade practices, labeling, advertising, marketing, distributor relationships and related matters. Federal, state and local governmental entities also levy various taxes, license fees, and other similar charges and may require bonds to ensure compliance with applicable laws and regulations. Failure to comply with applicable federal, state or local laws and regulations could result in higher taxes, penalties, fees, and suspension or revocation of permits, licenses or approvals and could have a material adverse effect on our business, financial condition, results of operations and prospects. From time to time, local and state lawmakers, as well as special interest groups, have proposed legislation that would increase the federal and/or state excise tax on alcoholic beverages or certain types of alcoholic beverages. If federal or state excise taxes are increased, we may have to raise prices to maintain our current profit margins. Higher taxes may reduce overall demand for alcoholic beverages, thus negatively impacting sales of our alcoholic beverages at our properties. Further federal or state regulation may be forthcoming that could further restrict the distribution and sale of alcohol products. Any material increases in taxes or fees, or the adoption of additional taxes, fees or regulations could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, each restaurant we operate must obtain a food service license from local authorities. Failure to comply with such regulations could cause our licenses to be revoked or our related restaurant business or businesses to be forced to cease operations. Moreover, state liquor laws may prevent the expansion of restaurant operations into certain markets.

Any violation of applicable anti-money laundering laws or regulations could adversely affect our business, financial condition, results of operations and prospects.

We handle significant amounts of cash in our operations and are subject to various reporting and anti-money laundering laws and regulations. Recently, U.S. governmental authorities have evidenced an increased focus on compliance with anti-money laundering laws and regulations in the gaming industry. Any violation of anti-money laundering laws or regulations could have a material adverse effect on our business, financial condition, results of operations and prospects. Internal control policies and procedures and employee training and compliance programs that we have implemented to deter prohibited practices may not be effective in prohibiting our employees, contractors or agents from violating or circumventing our policies and the law. If we or our employees or agents fail to comply with applicable laws or our policies governing our operations, we may face investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions. Any such government investigations, prosecutions or other legal proceedings or actions could have a material adverse effect on our business, financial condition, results of operations and prospects.

Failure to comply with the terms of the Regulatory Agreement could result in a breach and could harm our business.

We are currently a party to the Regulatory Agreement with Rhode Island regulatory agencies. The Regulatory Agreement imposes certain affirmative and negative covenants on us. For more detail on the Regulatory Agreement see the section entitled “Governmental Regulation” in “Item I. Business.” A failure to comply with the provisions in the Regulatory Agreement could subject us to injunctive or monetary relief, payments to the Rhode Island regulatory agencies and ultimately the revocation or suspension of our licenses to operate in Rhode Island. Any such remedy could adversely affect our business, financial condition and results of operations. Among other things, the Regulatory Agreement prohibits us and our subsidiaries from owning, operating, managing or providing gaming specific goods and services to any gaming facilities in Rhode Island (other than Twin River Casino Hotel and Tiverton Casino Hotel), Massachusetts, Connecticut or New Hampshire, which may adversely affect our growth and market opportunity in those states.

Our VLTs and table games hold percentages may fluctuate.

The gaming industry is characterized by an element of chance and our casino guests’ winnings depend on a variety of factors, some of which are beyond our control. In addition to the element of chance, hold percentages are affected by other factors, including players’ skill and experience, the mix of games played, the financial resources of players, the volume of bets placed and the amount of time played. The variability of our hold percentages has the potential to adversely affect our business, financial condition and results of operations.

We conduct our business in an industry that is subject to high taxes and may be subject to higher taxes in the future.

In gaming jurisdictions in which we conduct our business, with the exception of Rhode Island, state and local governments raise considerable revenues from taxes based on casino revenues and operations. In Rhode Island, the state takes all of the gaming win that comes into our Rhode Island operations and then pays us a percentage of the gaming win. We also pay property taxes, occupancy taxes, sales and use taxes, payroll taxes, franchise taxes and income taxes. Our profitability will depend on generating enough revenues to cover variable expenses, such as payroll and marketing, as well as largely fixed expenses, such as property taxes and interest expense. From time to time, state and local governments have increased gaming taxes and such increases could significantly impact the profitability of our gaming operations.

Our operations in Delaware, Colorado and Mississippi are generally subject to significant revenue-based taxes and fees in addition to normal federal, state and local income taxes, and such taxes and fees are subject to increase at any time. In addition, from time to time, federal, state and local legislators and officials have proposed changes in tax laws, or in the administration of such laws, affecting the gaming industry. Further, worsening economic conditions could intensify the efforts of Delaware, Colorado and Mississippi and applicable local governments to raise revenues through increases in gaming taxes and/or property taxes. It is not possible to determine with certainty the likelihood of changes in tax laws in these jurisdictions or in the administration of such laws. Such changes, if adopted, could adversely affect our business, financial condition and results of operations. The large number of state and local governments with significant current or projected budget deficits makes it more likely that those governments that currently permit gaming will seek to fund such deficits with new or increased gaming taxes and/or property taxes and worsening economic conditions could intensify those efforts. Any material increase, or the adoption of additional taxes or fees, could adversely affect our future financial results.

There can be no assurance that governments in jurisdictions in which we conduct our business, or the federal government, will not enact legislation that increases gaming tax rates. General economic pressures have the potential to reduce revenues of state governments from traditional tax sources, which may cause state legislatures or the federal government to be more inclined to increase gaming tax rates.

We are subject to risks associated with labor relations, labor costs and labor disruptions.

We are subject to the costs and risks generally associated with labor disputes and organizing activities related to unionized labor. From time to time, our operations may be disrupted by strikes, public demonstrations or other coordinated actions and publicity. We may incur increased legal costs and indirect labor costs as a result of contractual disputes, negotiations or other labor-related disruptions. We have collective bargaining agreements applicable to approximately 36% of our employees as of December 31, 2019. We have 13 collective bargaining agreements with terms ranging between three to five years generally. These agreements are based solely in Rhode Island. We may also face organizing activities that could result in additional employees becoming unionized. Furthermore, collective bargaining agreements may limit our ability to reduce the size of our workforce during an economic downturn, which could put us at a competitive disadvantage.

Our obligation to fund multi-employer defined benefit plans and the Dover Downs Pension Plan to which we are a party, may adversely affect us.

We must contribute to a number of multi-employer defined benefit pension plans under the terms of collective-bargaining agreements that cover certain union-represented employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers;
- if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and
- if we choose to stop participating in some of our multi-employer plans, we may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

In addition, the funding obligations for our pension plans will be impacted by the performance of the financial markets, particularly the equity markets, and interest rates. Funding obligations are determined by government regulations and are measured each year based on the value of assets and liabilities on a specific date. If the financial markets do not provide the long-term returns that are expected, we could be required to make larger contributions. The equity markets can be very volatile, and in the first quarter of 2020 have displayed meaningful volatility and, therefore, our estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates and legislation enacted by governmental authorities can impact the timing and amounts of contribution requirements. An adverse change in the funded status of the plans could significantly increase our required contributions in the future and adversely impact our liquidity.

The casino, hotel and hospitality industry is capital intensive and we may not be able to finance development, expansion and renovation projects, which could put us at a competitive disadvantage.

Our casino and hotel properties have an ongoing need for renovations and other capital improvements to remain competitive, including room refurbishments, amenity upgrades, and replacement, from time to time, of furniture, fixtures and equipment. We may also need to make capital expenditures to comply with applicable laws and regulations. Construction projects entail significant risks, which can substantially increase costs or delay completion of a project. Such risks include shortages of materials or skilled labor, unforeseen engineering, environmental or geological problems, work stoppages, weather interference and unanticipated cost increases. Most of these factors are beyond our control. In addition, difficulties or delays in obtaining any of the requisite licenses, permits or authorizations from regulatory authorities can increase the cost or delay the completion of an expansion or development. Significant budget overruns or delays with respect to expansion and development projects could adversely affect our business, and our results of operations.

Renovations and other capital improvements of casino properties in particular require significant capital expenditures. In addition, any such renovations and capital improvements usually generate little or no cash flow until the projects are completed. We may not be able to fund such projects solely from cash provided from operating activities. Consequently, we may have to rely upon the availability of debt or equity capital to fund renovations and capital improvements, and our ability to carry them out will be limited if we cannot obtain satisfactory debt or equity financing, which will depend on, among other things, market conditions. We cannot assure you that we will be able to obtain additional equity or debt financing on favorable terms or at all. Our failure to renovate and maintain gaming and entertainment venues from time to time may put us at a competitive disadvantage to gaming and entertainment venues offering more modern and better maintained facilities, which could adversely affect our business, financial condition, results of operations and prospects.

Because we are heavily dependent upon hotel/casino and related operations that are conducted in certain limited regions, we are subject to greater risks than a company that is geographically or otherwise more diversified.

We are heavily dependent upon hotel/casino and related operations that are conducted in Rhode Island, Mississippi, Colorado and Delaware for all of our cash flow. As a result, we are subject to a greater degree of risk than a gaming company that has greater geographical diversity. The risks to which we may have a greater degree of exposure include the following:

- local economic and competitive conditions;
- inaccessibility due to weather conditions, road construction or closure of primary access routes;
- changes in local and state governmental laws and regulations, including gaming laws and regulations;
- natural and other disasters, including earthquakes, hurricanes and flooding;
- a decline in the number of residents in or near, or visitors to, our operations;
- an increase in gaming activities in neighboring jurisdictions; and
- a decrease in gaming activities at any of our facilities.

Any of the factors outlined above could adversely affect our ability to generate sufficient cash flow to make payments on our outstanding indebtedness.

We may not realize the anticipated benefits from our acquisitions, including our Merger with Dover Downs.

We cannot assure you that our recently completed acquisition of the Black Hawk Casinos, or any future acquisitions, such as our pending acquisition of properties in Vicksburg, Mississippi and Kansas City, Missouri, will enhance our financial performance. Our ability to achieve the expected benefits of any acquisitions will depend on, among other things, our ability to effectively translate our strategies (including our planned renovation of the property we are acquiring in Kansas City) into revenue, our ability to retain and assimilate the acquired businesses' employees, our ability to retain existing customers and suppliers on terms similar to, or better than, those in place with the acquired businesses, our ability to attract new customers, the adequacy of our implementation plans, our ability to maintain our financial and internal controls and systems as we expand our operations, the ability of our management to oversee and operate effectively the combined operations and our ability to achieve desired operating efficiencies and revenue goals. The integration of the businesses that we acquire might also cause us to incur costs that are unforeseen or that exceed our estimates, which would lower our future earnings and would prevent us from realizing the expected benefits of such acquisitions. Our recent acquisition of the Black Hawk Casinos and our pending acquisition of two properties from Eldorado Resorts each involve acquiring properties from larger parent companies and will require the provision of transition services from the seller for a period of time as we work to separate the properties from their parent companies. In some cases, the services provided by the sellers are critical to the ongoing efficient operation of the properties and may involve costly payments from us to the provider of the services. If the provision of these services by the sellers is disrupted or given insufficient attention by the sellers, our ability to operate the properties may be negatively impacted until such time as we are able to take full control over the services. Moreover, we must pay the sellers for these services and the costs to us for these services may exceed our estimates and these expenses will negatively impact the results of operations of these properties during these transition periods. Failure to achieve the anticipated benefits of these acquisitions could result in decreases in the amount of expected revenues and diversion of management's time and energy and could adversely affect our business, financial condition and operating results including, ultimately, a reduction in our stock price.

We face risks associated with growth and acquisitions.

As part of our business strategy, we regularly evaluate opportunities for growth through development of gaming operations in existing or new markets, through acquiring other gaming entertainment facilities or through redeveloping our existing gaming facilities. In the future, we may also pursue expansion opportunities, including joint ventures or partnerships, in jurisdictions where casino gaming is not currently permitted in order to be prepared to develop projects upon approval of casino gaming.

Although we only intend to engage in acquisitions that, if consummated, will be accretive to us and our shareholders, acquisitions require significant management attention and resources to integrate new properties, businesses and operations. Our ability to realize the anticipated benefits of acquisitions will depend, in part, on our ability to integrate the acquired businesses with our businesses. The combination of two independent companies is a complex, costly, and time-consuming process. This process may disrupt the business of either or both of the companies and may not result in the full benefits expected. Potential difficulties we may encounter as part of the integration process that may negatively impact our earnings or otherwise adversely affect our business and financial results include, among other things, the following:

- the inability to successfully incorporate the assets in a manner that permits us to achieve the full revenue increases, cost reductions and other benefits anticipated to result from any acquisitions;
- complexities associated with managing the combined business, including difficulty addressing possible differences in cultures and management philosophies and the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;
- the disruption of, or the loss of momentum in, each of our ongoing businesses;
- inconsistencies in standards, controls, procedures and policies; and
- potential unknown liabilities and unforeseen increased expenses associated with acquisitions.

Additionally, even if integration is successful, the overall integration of acquired assets and businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer and other business relationships and diversion of management attention. There is also no guarantee that the acquired assets or businesses will generate any of the projected synergies and earnings growth, and the failure to realize such projected synergies and earnings growth may adversely affect our operating and financial results and derail any growth plans.

There can be no assurance that we will be able to identify, acquire, develop or profitably manage additional companies or operations or successfully integrate such companies or operations into our existing operations without substantial costs, delays or other problems. Additionally, there can be no assurance that we will receive gaming or other necessary licenses or approvals for new projects that we may pursue or that gaming will be approved in jurisdictions where it is not currently approved.

Ballot measures or other voter-approved initiatives to allow gaming in jurisdictions where gaming, or certain types of gaming (such as slots and sports wagering), was not previously permitted could be challenged, and, if such challenges are successful, these ballot measures or initiatives could be invalidated. Furthermore, there can be no assurance that there will not be similar or other challenges to legalized gaming in existing or current markets in which we may operate or have development plans, and successful challenges to legalized gaming could require us to abandon or substantially curtail our operations or development plans in those locations, which could have a material adverse effect on our financial condition and results of operations.

There can be no assurance that we will not face similar challenges and difficulties with respect to new development projects or expansion efforts that we may undertake, which could result in significant sunk costs that we may not be able to fully recoup or that otherwise have a material adverse effect on our financial condition and results of operations. We may not be able to obtain additional financing on acceptable terms or at all. To the extent that we seek to acquire other businesses in exchange for our common stock, fluctuations in our stock price could adversely affect our ability to complete acquisitions.

We may not realize the anticipated benefits of existing or pending strategic alliances, joint ventures, acquisitions, divestitures, or new business strategies.

We have invested in, formed strategic alliances with, and announced proposed joint ventures with other companies, including a proposed joint venture with International Game Technology, PLC (“IGT”) in Rhode Island (the “Joint Venture”), and we may expand those relationships or enter into similar relationships with additional companies which may require various state approvals which may or may not be granted. These initiatives are typically complex and we may not be able to complete anticipated alliance or joint venture transactions, the anticipated benefits of these transactions may not be realized, or the benefits may be delayed. For example, we may not successfully integrate an alliance or joint venture with our operations, including the implementation of our controls, systems, procedures, and policies, or unforeseen expenses or liabilities may arise that were not discovered during due diligence prior to an investment or entry into a strategic alliance, or a misalignment of interests may develop between us and the other party. Further, to the extent we share ownership, control, or management with another party in a joint venture, our ability to influence the joint venture may be limited, and we may be unable to prevent misconduct or implement our compliance or internal control systems. In addition, implementation of a new business strategy may lead to the disruption of our existing business operations, including distracting management from current operations. Results of operations from new activities may be lower than our existing activities, and, if a strategy is unsuccessful, we may not recoup our investments in that strategy. Failure to successfully and timely realize the anticipated benefits of these transactions or strategies could have an adverse effect on our financial condition or results of operations.

With respect to the proposed Joint Venture, any material unanticipated issues arising from the integration process could negatively impact our stock price, future business and financial results. Moreover, uncertainty about the effect of the proposed transaction on employees, customers, suppliers, distributors and other business partners may have an adverse effect on us and the Joint Venture. These uncertainties may impair our and/or the Joint Venture’s ability to attract, retain and motivate key personnel to execute the Joint Venture’s strategy, and could cause customers, suppliers, distributors and others who deal with us and/or the Joint Venture to seek to change or cancel existing business relationships with us and/or the Joint Venture or fail to renew existing relationships.

The Joint Venture will be subject to the risks associated with the Company’s gaming business, approvals by the state of Rhode Island, in addition to the risks associated with IGT’s machine gaming business, and the business, financial condition and results of operations of the Joint Venture may be affected by factors that are different from or in addition to those currently affecting the independent business, financial condition and results of operations of the Company’s gaming business. Many of these factors are outside of our and the Joint Venture’s control, and could materially impact the business, financial condition and results of operations of the Joint Venture. Moreover, although we will have certain consent, board representation and other governance rights with respect to the joint venture, the Company will be a minority owner of the Joint Venture. As a result, we will not have control over the Joint Venture, its management or its policies and we may have business interests, strategies and goals that differ in certain respects from those of IGT or the Joint Venture.

We may incur impairments to goodwill, indefinite-lived intangible assets, or long-lived assets.

We monitor the recoverability of our long-lived assets, such as buildings, and evaluate their carrying value for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. We annually review goodwill to determine if impairment has occurred. Additionally, interim reviews are performed whenever events or changes in circumstances indicate that impairment may have occurred. If the testing performed indicates that impairment has occurred, we are required to record a non-cash impairment charge for the difference between the carrying value and fair value of the long-lived assets or the carrying value and fair value of the reporting unit, in the period the determination is made. The testing of long-lived assets and goodwill for impairment requires us to make estimates that are subject to significant assumptions about our future revenue, profitability, cash flows, fair value of assets and liabilities, weighted average cost of capital, as well as other assumptions. Changes in these estimates, or changes in actual performance compared with these estimates, may affect the fair value of long-lived assets or reporting unit, which may result in an impairment charge.

We cannot accurately predict the amount or timing of any impairment of assets. Should the value of long-lived assets or goodwill become impaired, our financial condition and results of operations may be adversely affected.

Our debt agreements and regulatory agreement contain restrictive covenants that may limit our operating flexibility.

Our current credit facility and regulatory agreement includes, and our future debt agreements and regulatory agreements will likely include, numerous financial and other covenants, imposing financial and operating restrictions on our business. Our ability to comply with these provisions may be affected by general economic conditions, industry conditions and other events beyond our control. There can be no assurance that we will be able to comply with these covenants. The failure to comply with a financial covenant or other restrictions contained in the agreements governing such indebtedness or our regulatory agreement, may result in an event of default under the credit agreement or sanctions or fines under the regulatory agreement. An event of default under our credit facility could result in acceleration of some or all of the applicable indebtedness as well as other indebtedness of ours and the inability to borrow additional funds. We do not have, and cannot be certain we would be able to obtain, sufficient funds to repay any such indebtedness if it is accelerated. Restrictions in our debt agreements or our regulatory agreements might affect our ability to operate our business, might limit our ability to take advantage of potential business opportunities as they arise and might adversely affect the conduct of our current business, including by restricting our ability to finance future operations and capital needs and limiting our ability to engage in other business activities.

Our existing and future indebtedness may limit our operating and financial flexibility.

As of December 31, 2019, we had approximately \$698.5 million of total indebtedness outstanding consisting of \$298.5 million outstanding under our term loan facility (the “Term Loan Facility” or “Term Loan”) pursuant to the terms of a credit agreement the Company entered into on May 10, 2019 (the “Credit Agreement”) with Citizens Bank, N.A., as administrative agent (the “Agent”), and the lenders party thereto, and \$400.0 million in aggregate principal amount of outstanding 6.75% senior notes due 2027 (the “Senior Notes”). As of December 31, 2019, we also were a party to a \$250.0 million revolving credit facility (the “Revolving Credit Facility” or “Revolver” and together with the Term Loan, the “Credit Facility”), of which there were no borrowings as of that date. This indebtedness may have important negative consequences for us, including:

- limiting our ability to satisfy obligations;
- increasing vulnerability to general adverse economic and industry conditions;
- limiting flexibility in planning for, or reacting to, changes in our businesses and the markets in which we conduct business;
- increasing vulnerability to, and limiting our ability to react to, changing market conditions, changes in industry and economic downturns;
- limiting our ability to obtain additional financing to fund working capital requirements, capital expenditures, debt service, general corporate or other obligations;
- subjecting us to a number of restrictive covenants that, among other things, limit our ability to pay dividends and distributions, make acquisitions and dispositions, borrow additional funds and make capital expenditures and other investments;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a significant portion of these funds to make principal and/or interest payments on outstanding debt;
- exposing us to interest rate risk due to the variable interest rate on borrowings under our Credit Facility;
- causing our failure to comply with the financial and restrictive covenants contained in our current or future indebtedness, which could cause a default under that indebtedness (and other indebtedness of ours) and which, if not cured or waived, could adversely affect us; and
- affecting our ability to renew gaming and other licenses necessary to conduct our business.

Though we have significant amounts of indebtedness outstanding, we have the ability to borrow the entire \$250.0 million under our Revolving Credit Facility and may issue or incur additional indebtedness to fund our operations, including as necessary to execute on our growth strategy. Further, we may incur other liabilities that do not constitute indebtedness. The risks that we face based on our outstanding indebtedness may intensify if we incur additional indebtedness or financing obligations in the future.

Servicing our indebtedness and funding our other obligations requires a significant amount of cash, and our ability to generate sufficient cash depends on many factors, some of which will be beyond our control.

Our ability to make payments on and refinance our indebtedness and to fund our operations and capital expenditures depends upon our ability to generate cash flow and secure financing in the future. Our ability to generate future cash flow depends, among other things, upon:

- our future operating performance;
- general economic conditions;
- competition;
- legislative and regulatory factors affecting our operations and businesses; and
- our future operating performance.

Some of these factors will be beyond our control. There can be no assurance that our business will generate cash flow from operations or that future debt or equity financings will be available to us to enable us to pay our indebtedness or to fund other needs. If our operating results and available cash are insufficient to meet our debt service obligations we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them, and these proceeds may not be adequate to meet any debt service obligations then due. The inability to generate cash flow could result in us needing to refinance all or a portion of our indebtedness on or before maturity, including through the issuance of additional debt or equity securities. If needed, there can be no assurance that we will be able to refinance any of our indebtedness on favorable terms, or at all. Any inability to generate sufficient cash flow or refinance our indebtedness on favorable terms could adversely affect our financial condition.

A market downturn may negatively impact our access to financing.

Since emergence from a recession over ten years ago, the U.S. economy has been expanding at various growth rates. Such growth could slow, or reverse, and another economic downturn could occur, including as a result of the ongoing outbreak of the COVID-19 virus. A downturn in the financial markets or market volatility (like those now being experienced) could negatively impact our ability to access capital and financing (including financing necessary for acquisitions or to refinance our existing indebtedness) on acceptable terms and prices, that we would otherwise need in connection with the operation of our business.

The market price of our common stock could fluctuate significantly.

There have been and are periods of time when the U.S. securities markets have experienced significant price fluctuations. These price fluctuations may be day-to-day or they may last for extended periods of time. Significant price fluctuations in the securities markets as a whole have caused, and may continue to cause, the market price of our common stock to be volatile and subject to wide fluctuations. The trading volume of our common stock may fluctuate and cause significant price variations to occur. Additional factors that could cause fluctuations in, or adversely affect, our stock price or trading volume include:

- general market and economic conditions, including market conditions in the gaming and hotel industries;
- actual or expected variations in quarterly operating results;
- differences between actual operating results and those expected by investors and analysts;
- sales of our common stock by current shareholders seeking liquidity in the public market;
- changes in recommendations by securities analysts;
- operations and stock performance of competitors;
- accounting charges, including charges relating to the impairment of goodwill;
- significant acquisitions or strategic alliances by us or by competitors;
- sales of our common stock by our directors and officers or significant investors; and
- recruitment or departure of key personnel.

There can be no assurance that the stock price of our common stock will not fluctuate or decline significantly in the future. In addition, the stock market in general can experience considerable price and volume fluctuations that may be unrelated to our performance.

Our largest shareholder owns a meaningful percentage of our outstanding common stock, which could limit the ability of other shareholders to influence corporate matters.

Our largest shareholder beneficially owned 37.1% of our outstanding common stock as of February 20, 2020. As a result, this shareholder, who is also our chairman, may be able to exert influence over our affairs and policies. This concentrated ownership could limit the ability of the remaining shareholders to influence corporate matters, and the interests of the large shareholder may not coincide with our interests or the interests of the remaining shareholders. The concentration of ownership may also have the effect of delaying, preventing or deterring a change of control.

We cannot provide assurance that we will continue to pay dividends on our common stock.

In June 2019, we commenced the payment of a quarterly cash dividend on our common stock. The timing, declaration, amount and payment of any future dividends will be at the discretion of our board of directors and will depend upon, among other factors, our earnings, cash requirements, financial condition, requirements to comply with the covenants under our debt instruments and the Regulatory Agreement, legal considerations, and other factors that our board of directors deems relevant. A reduction in the amount of cash dividends on our common stock, the suspension of those dividends, or a failure to meet market expectations regarding potential dividend increases could have a material adverse effect on the market price of our common stock. If we do not pay cash dividends on our common stock in the future, then the return on an investment in our common stock will depend entirely upon our future stock price. There is no guarantee that our common stock will maintain its value or appreciate in value.

We are a holding company and will depend on our subsidiaries for dividends, distributions and other payments.

We are structured as a holding company, a legal entity separate and distinct from our subsidiaries. Our only significant asset is the capital stock or other equity interests of our operating subsidiaries. As a holding company, we will conduct all of our business through our subsidiaries. Consequently, our principal source of cash flow, including cash flow to pay dividends, will be dividends and distributions from our subsidiaries. If our subsidiaries are unable to make dividend payments or distributions to us and sufficient cash or liquidity is not otherwise available, we may not be able to pay dividends. In addition, our right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization will be subject to the prior claims of the subsidiary's creditors.

We are or may become involved in legal proceedings that, if adversely adjudicated or settled, could impact our business and financial condition.

From time to time, we are named in lawsuits or other legal proceedings relating to our businesses. In particular, the nature of our business subjects us to the risk of lawsuits filed by customers, past and present employees, shareholders, competitors, business partners and others in the ordinary course of business. As with all legal proceedings, no assurances can be given as to the outcome of these matters. Moreover, legal proceedings can be expensive and time consuming, and we may not be successful in defending or prosecuting these lawsuits, which could result in settlements or damages that could adversely affect our business, financial condition and results of operations.

We are subject to extensive environmental regulation, which creates uncertainty regarding future environmental expenditures and liabilities.

We are subject to various federal, state and local environmental laws and regulations that govern activities that may have adverse environmental effects, such as discharges to air and water, as well as the management and disposal of solid, animal and hazardous wastes and exposure to hazardous materials. These laws and regulations, which are complex and subject to change, include United States Environmental Protection Agency regulations. In addition, our horse racing facility in Colorado is subject to state laws and regulations that address the impacts of manure and wastewater generated by Concentrated Animal Feeding Operations (“CAFO”) on water quality, including, but not limited to, storm water discharges. CAFO regulations include permit requirements and water quality discharge standards. Enforcement of CAFO regulations has been receiving increased governmental attention. Compliance with these and other environmental laws can, in some circumstances, require significant capital expenditures. For example, we may incur future costs under existing and new laws and regulations pertaining to storm water and wastewater management at our racetracks. Moreover, violations can result in significant penalties and, in some instances, interruption or cessation of operations.

We are also subject to laws and regulations that create liability and cleanup responsibility for releases of regulated materials into the environment. Certain of these laws and regulations impose strict, and under certain circumstances joint and several, liability on a current or previous owner or operator of property for the costs of remediating regulated materials on or emanating from our property. The costs of investigation, remediation or removal of those substances may be substantial. The presence of, or failure to remediate properly, such materials may adversely affect the ability to sell or rent such property or to borrow funds using such property as collateral. Additionally, as an owner or manager of real property, we could be subject to claims by third parties based on damages and costs resulting from environmental contamination at or emanating from third party sites. These laws typically impose clean-up responsibility and liability without regard to whether the owner or manager knew of or caused the presence of the contaminants and the liability under those laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of the responsibility. In addition, environmental requirements address the impacts of development on wetlands.

The possibility exists that contamination, as yet unknown, may exist on our properties. There can be no assurance that we will not incur expenditures for environmental investigations or remediation in the future.

We are largely dependent on the skill and experience of management and key personnel.

We expect to experience strong competition in hiring and retaining qualified property and corporate management personnel, including competition from Native American gaming facilities that are not subject to the same taxation regimes as we are and therefore may be willing and able to pay higher rates of compensation. From time to time, a number of vacancies in key corporate and property management positions can be expected. If we are unable to successfully recruit and retain qualified management personnel at our facilities or at the corporate level, our results of operations could be adversely affected.

In addition, our officers, directors and key employees are required to file applications with the gaming authorities in each of the jurisdictions in which we conduct our business and are required to be licensed or found suitable by these gaming authorities. If the gaming authorities were to find an officer, director or key employee unsuitable for licensing or unsuitable to continue having a relationship with us, we would have to sever all relationships with that person. Furthermore, the gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications. Either result could significantly impair our operations. The time and effort needed to successfully complete the application process could impact our ability to attract, hire and retain top talent.

As an emerging growth company, we intend to take advantage of reduced governance requirements applicable to emerging growth companies, which could result in our common stock being less attractive to investors.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups (JOBS) Act and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including but not limited to not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. If some investors find our common stock less attractive as a result of our reliance on these exemptions, there may be a less active trading market for our common stock, our stock price may be more volatile and it may be difficult for us to raise additional capital as and when we need it. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected.

We may take advantage of these reporting exemptions until we are no longer an emerging growth company, which in certain circumstances could be for up to five years. We will remain an “emerging growth company” until the earliest of (1) the last day of the first fiscal year in which our annual gross revenues exceed \$1.07 billion, (2) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, which would occur if the market value of our shares that are held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter, (3) the date on which we have issued more than \$1.0 billion in nonconvertible debt during the preceding three-year period and (4) the last day of our fiscal year containing the fifth anniversary of the date on which we first sold common equity securities pursuant to an effective registration statement, or December 31, 2024.

As a public company we are obligated to develop and maintain proper and effective internal control over financial reporting and any failure to do so may adversely affect investor confidence in us and, as a result, the value of our common stock.

We are required by Section 404 of the Sarbanes-Oxley Act to furnish an annual report by management on, among other things, our assessment of the effectiveness of our internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. We also are required to disclose significant changes made in our internal control procedures on a quarterly basis. The process of designing, implementing and testing internal controls over financial reporting is time consuming, costly and complicated. However, for as long as we remain an emerging growth company as defined in the JOBS Act, we intend to take advantage of the exemption permitting us to avoid the independent registered public accounting firm attestation requirement.

If we are unable to successfully remediate any future deficiencies or weaknesses in our internal control over financial reporting, or if we identify any additional deficiencies or weaknesses, the accuracy and timing of our financial reporting could be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and/or our stock price may decline as a result.

Our business may be harmed from cyber security incidents and we may be subject to legal claims if there is loss, disclosure or misappropriation of or access to our guests’, business partners’ or our own information or other breaches of information security.

We make extensive use of online services and centralized data processing, including through third party service providers. We have experienced cyber-attacks, attempts to breach our systems and other similar incidents. The secure maintenance and transmission of customer information is a critical element of our operations. Our information technology and other systems that maintain and transmit guest information, or those of service providers, business partners or employee information may be compromised by a malicious third party penetration of our network security, or that of a third party service provider or business partner, or impacted by intentional or unintentional actions or inactions by our employees, or those of a third party service provider or business partner. As a result, our guests’ information may be lost, disclosed, accessed or taken without our guests’ consent.

In addition, third party service providers and other business partners process and maintain proprietary business information and data related to our employees, guests, suppliers and other business partners. Our information technology and other systems that maintain and transmit this information, or those of service providers or business partners, may also be compromised by a malicious third party penetration of our network security or that of a third party service provider or business partner, or impacted by intentional or unintentional actions or inactions by our employees or those of a third party-service provider or business partner. As a result, our business information, guest, supplier and other business partner data may be lost, disclosed, accessed or taken without consent.

Any such loss, disclosure or misappropriation of, or access to, guests’ or business partners’ information or other breach of our information security can result in legal claims or legal proceedings, including regulatory investigations and actions, may have a serious impact on our reputation and may adversely affect our business, operating results and financial condition. Furthermore, the loss, disclosure or misappropriation of our business information may adversely affect our reputation, business, operating results and financial condition.

We are subject to risks relating to mechanical failure.

All of our facilities are subject to the risk that operations could be halted for a temporary or extended period of time, as the result of casualty, forces of nature, mechanical failure, or extended or extraordinary maintenance, among other causes. In addition, our gaming operations could be damaged or halted due to extreme weather conditions. These risks are particularly pronounced at our Hard Rock Biloxi property because of its location adjacent to water and the potential for hurricanes in the Gulf of Mexico.

Our operations have historically been subject to seasonal variations and quarterly fluctuations in operating results, and we can expect to experience such variations and fluctuations in the future.

Historically, our gaming facilities have typically been subject to seasonal variations.

In the Rhode Island market, excessive snowfall during the winter months can make travel to Rhode Island casinos more difficult. This often results in significant declines in traffic on major highways and causes a decline in customer volume. Furthermore, management believes that substantially all visitors to the Rhode Island casinos arrive by some form of ground transportation. Therefore, even normal winter weather may cause revenues and cash flows for our Rhode Island and Delaware operations to be adversely affected. Our recently acquired Black Hawk Casinos are subject to similar risks.

We may incur property and other losses that are not adequately covered by insurance.

Although we maintain insurance that we believe is customary and appropriate for our business, we cannot assure you that insurance will be available or adequate to cover all losses and damage to which our business or our assets might be subjected. The lack of adequate insurance for certain types or levels of risk could expose us to significant losses in the event that a catastrophe occurred for which we are uninsured or underinsured. Any losses we incur that are not adequately covered by insurance may decrease our future operating income, require us to find replacements or repairs for destroyed property and reduce the funds available for payments of our obligations. We renew our insurance policies on an annual basis. The cost of coverage may become so high that we may need to further reduce our policy limits, further increase our deductibles, or agree to certain exclusions from our coverage.

Our results of operations and financial condition could be adversely affected by the occurrence of natural disasters, such as hurricanes, or other catastrophic events, including war and terrorism.

Natural disasters, such as major hurricanes, typhoons, floods, fires and earthquakes, could adversely affect our business and operating results. Hurricanes are common in the areas in which our Mississippi property is located, and the severity of such natural disasters is unpredictable.

For example, in 2005, prior to our ownership, Hurricane Katrina destroyed the Hard Rock Biloxi before its opening and the property had to be rebuilt. In 2017, customer traffic to the Hard Rock Biloxi was negatively impacted by Hurricanes Harvey and Nate.

Catastrophic events, such as terrorist attacks in the United States and elsewhere, have had a negative effect on travel and leisure expenditures, including lodging, gaming (in some jurisdictions) and tourism. We cannot accurately predict the extent to which such events may affect us, directly or indirectly, in the future. There can be no assurance that we will be able to obtain or choose to purchase any insurance coverage with respect to occurrences of terrorist acts and any losses that could result from these acts. If there is a prolonged disruption at our facilities due to natural disasters, terrorist attacks or other catastrophic events, our results of operations and financial condition would be adversely affected.

We may be unable to obtain business interruption coverage for casualties resulting from severe weather such as hurricanes, and there can be no assurance that we will be able to obtain casualty insurance coverage at affordable rates, if at all, for casualties resulting from severe weather.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following table summarizes certain features of properties managed/owned by Twin River as of February 29, 2020:

Property	Location	Type	Opening Year	Gaming Square Footage	Slot Machines	Table Games	Hotel Rooms	Food and Beverage Outlets	Racebook	Sportsbook
Twin River Casino Hotel ⁽¹⁾	Lincoln, RI	Casino and Hotel	2007	162,420	4,108	111	136	23	Yes	Yes
Hard Rock Biloxi ⁽¹⁾	Biloxi, MS	Casino and Resort	2007	50,984	1,183	53	479	18	No	Yes
Tiverton Casino Hotel ⁽¹⁾	Tiverton, RI	Casino and Hotel	2018	33,600	1,000	32	83	7	Yes	Yes
Dover Downs Hotel and Casino ⁽¹⁾	Dover, DE	Casino, Hotel and Raceway	1995	165,000	2,173	38	500	15	Yes	Yes
Black Hawk Casinos ⁽²⁾	Black Hawk, CO	3 Casinos	multiple ⁽⁴⁾	34,632	666	33	—	7	No	No
Mile High USA	Aurora, CO	Racetrack/OTB Site	1992	—	—	—	—	3	Yes	No
Corporate Headquarters ⁽³⁾	Providence, RI	Office Space	2019	—	—	—	—	—	No	No

(1) The properties noted above are mortgaged under and encumbered by our Credit Agreement initially entered into on May 10, 2019.

(2) These properties include the Golden Gates, Golden Gulch and Mardi Gras casinos which were acquired on January 23, 2020.

(3) The corporate headquarters located in Providence, RI is a leased property with a lease end date of May 31, 2020.

(4) The Golden Gates, Mardi Gras and Golden Gulch casinos opened in 1992, 2000 and 2003, respectively.

Our Twin River Casino Hotel property is located in Lincoln, Rhode Island. It is situated 10 minutes from Providence, Rhode Island and is in close proximity to the southeastern Massachusetts market and Boston. The Twin River Casino Hotel is a full-service casino with 162,420 square feet of gaming space, 4,108 slot machines, 111 table games, which includes 23 poker tables, 16 dining establishments, seven bars and over 29,000 square feet of event space. It also hosts simulcasting of thoroughbred and greyhound racing from around the country. Additionally, we opened a new hotel on the Twin River Casino Hotel property in October 2018 which features 136 guest rooms. We also began offering sports betting at the Twin River Casino Hotel in late 2018. The Twin River Casino Hotel is open 24 hours per day.

Our Hard Rock Biloxi property is located in Biloxi, Mississippi. This location serves southern Mississippi and is also a Gulf Coast tourist destination. The Hard Rock Biloxi is a 1.6-acre waterfront resort with a full-service casino, including 50,984 square feet of gaming space, 1,183 slot machines and 53 table games, a two-tower hotel featuring 479 guest rooms, 11 dining establishments, seven bars and a 9,000 square foot theatre. It also includes four on-site nightlife venues and an outdoor pool with a swim-up bar. We also offer sports betting at the Hard Rock Biloxi. We lease certain property related to this location from the State of Mississippi with a primary term of 30 years, expiring September 30, 2037, with an option to extend for an additional 30 years. Annual rent for the year ending December 31, 2019 is \$1.2 million and adjusts annually based on the increase in the consumer price index. The Hard Rock Biloxi is open 24 hours per day.

Our Tiverton Casino Hotel property is located in Tiverton, Rhode Island and opened in September 2018. This property is located near the Rhode Island-Massachusetts border, serving both the southeastern Massachusetts market and the Rhode Island market. The Tiverton Casino Hotel has 33,600 square feet of gaming space, 1,000 slot machines, 32 table games, five dining establishments, two bars and a hotel featuring 83 guest rooms. We also began offering sports betting at the Tiverton Casino Hotel in late 2018. The Tiverton Casino Hotel is open 24 hours a day.

Our Dover Downs property is located in Dover, Delaware. This location serves the Mid-Atlantic region. The casino is a 165,000 square foot complex featuring 38 table games, 2,173 slot machines, multi-player electronic table games, a poker room, and a race and sports book operation. The hotel is a 500-room hotel with conference, banquet, ballroom and concert hall facilities. We have a perpetual easement to Dover Downs Raceway, our harness racing track. Our casino offers pari-mutuel wagering on live racing from this raceway and simulcast horse races. The casino facility includes several bars, restaurants and retail outlets, all of which are located at our entertainment complex situated on approximately 69 acres of owned land. The Dover Downs Hotel & Casino is open 24 hours per day.

Our Black Hawk Casinos are located in Black Hawk, Colorado. They are in close proximity to one another along a half mile strip of casino and casino-hotel properties in this historic mining town located approximately 40 miles from Denver, Colorado. Together, the properties contain a combined 34,632 square feet of gaming space, featuring 666 slot machines, 16 table games, a poker parlor containing 17 tables, three restaurants, four bars and one of the only parking garages in the market, with 700 spaces.

Our Mile High USA properties are located in Aurora, Colorado. This location serves the central Colorado market, including the Denver area. Arapahoe Park is a seasonal live horse racing track with a racebook, concession stands, a bar, outside grill and retail store. It also hosts simulcasting of thoroughbred and greyhound racing from around the country. Arapahoe Park holds 13 OTB licenses, certain of which it currently licenses to third parties. Havana Park is an OTB site, which we operate in Aurora, Colorado. The Havana Park property is leased through September 28, 2022 at an annual rent of \$165,758 and contains two five-year options.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business.

On January 9, 2019, Chatham Asset Management, LLC and certain of its affiliates, which own less than 1% of our outstanding common stock as of December 31, 2019, filed an amended action in the Delaware Chancery Court against our directors and certain officers asserting individual and derivative claims. The complaint alleges that the defendants breached their fiduciary obligations by launching a tender offer in 2016 to benefit their own personal interests and the interests of one shareholder, made false and misleading disclosures in connection with the tender offer and improperly made payments to themselves in respect of the settlement of certain Twin River awards. The defendants believe the plaintiffs' claims are without merit and intend to vigorously defend the action, and we believe the action will not have a material adverse effect on our results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANTS COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Our Common Stock

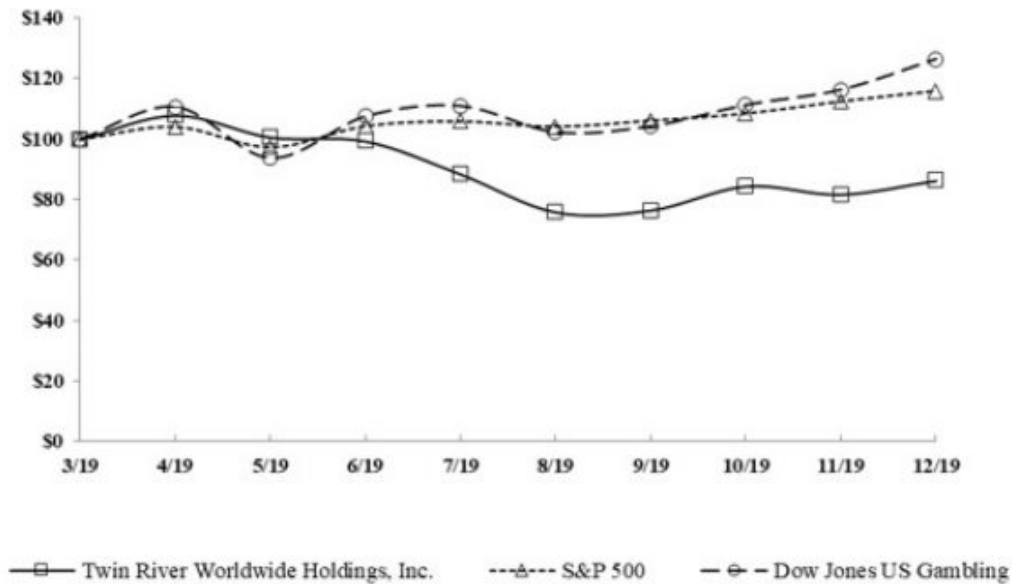
Shares of our common stock has traded on the NYSE under the symbol “TRWH” since March 29, 2019. Prior to that date, there was no public market for our common stock. The declaration, amount and payment of dividends on shares common stock are at the discretion of the board of directors, subject to legally available funds.

Stock Performance Graph

The Company’s shares of common stock began trading on the NYSE on March 29, 2019. Accordingly, no comparative stock performance information is available prior to this date. The performance graph below compares the cumulative total return on the Company’s common stock to the cumulative total return of the Standard & Poor’s 500 Stock Index (“S&P 500”) and the Dow Jones US Gambling Index. The performance graph assumes that \$100 was invested on March 29, 2019 in each of the Company’s common stock, the S&P 500 and the Dow Jones Gambling Index, and that all dividends were reinvested. The stock price performance shown in this graph is neither necessarily indicative of, nor intended to suggest, future stock price performance.

COMPARISON OF 9 MONTH CUMULATIVE TOTAL RETURN*

Among Twin River Worldwide Holdings, Inc., the S&P 500 Index
and the Dow Jones US Gambling Index



*\$100 invested on March 29, 2019 in stock or index, including reinvestment of dividends.

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Dividend Policy

We began paying quarterly cash dividends as part of the capital return program announced in June 2019. We expect to continue to pay a quarterly cash dividend targeted at approximately 1%, on an annual yield basis based on our recent common stock trading price. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend upon, among other factors, our earnings, cash requirements, financial condition, requirements to comply with the covenants under our debt instruments and the Regulatory Agreement, legal considerations, and other factors that our Board deems relevant.

During the year ended December 31, 2019, the Company declared and paid cash dividends of \$0.20 per share to common shareholders. In February 2020, the Board of Directors declared a dividend of \$0.10 per share of common stock to holders of record as of March 6, 2020 to be paid on March 20, 2020.

Holders

At March 6, 2020, there were 245 holders of record of our common stock, although we believe there are a significantly larger number of beneficial owners of our common stock because many shares are held by brokers and other institutions on behalf of shareholders.

Issuer Purchases of Equity Securities

On June 14, 2019, the Company announced that its Board of Directors approved a capital return program under which Twin River may expend a total of up to \$250 million for a share repurchase program and payment of dividends. On February 10, 2020, the Board of Directors approved an additional \$100 million for stock repurchases and payment of dividends. Share repurchases may be effected in various ways, which could include open-market or private repurchase transactions, accelerated share repurchase programs, tender offers or other transactions. The amount, timing and terms of any capital transactions will be determined based on prevailing market conditions and other factors. There is no fixed time period to complete the capital returns.

The following table provides information about share repurchases made by the Company of its common stock during the quarter ended December 31, 2019 (in thousands, except Average Price Paid per Share):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs
October 1, 2019 - October 31, 2019	375	\$ 23.00	375	\$ 71,066 ^(a)
November 1, 2019 - November 30, 2019	905	23.57	905	49,743
December 1, 2019 - December 31, 2019	1,207	24.86	1,207	19,738
	2,487	\$ 24.11 ^(b)	2,487	\$ 19,738

(a) Includes \$3 million of common stock dividends paid in October 2019.

(b) Weighted-average.

ITEM 6. SELECTED FINANCIAL DATA

The selected consolidated financial data presented below has been derived from our audited consolidated financial statements. This information should be read in conjunction with “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements and accompanying notes thereto.

<i>(In thousands, except per share data)</i>	Years Ended December 31,			
	2019^(a)	2018^(b)	2017	2016
Statement of Operations Data:				
Total revenue	\$ 523,577	\$ 437,537	\$ 421,053	\$ 414,817
Income from operations	114,626	120,649	123,723	112,456
Income before provision for income taxes	75,180	97,797	101,108	83,392
Net income	55,130	71,438	62,247	44,839
Net income applicable to common stockholders	55,130	72,078	59,903	43,811
Per Common Share Data:				
Net income per share, basic	\$ 1.46	\$ 1.95	\$ 1.64	\$ 1.17
Net income per share, diluted	\$ 1.46	\$ 1.87	\$ 1.56	\$ 1.12
Cash dividends declared per share	\$ 0.20	\$ —	\$ —	\$ —
Balance Sheet Data:				
Cash and cash equivalents	\$ 182,581	\$ 77,580	\$ 85,814	\$ 55,360
Total assets	1,021,887	782,352	718,134	640,891
Long-term debt, net of current portion	680,601	390,578	357,875	404,311
Total shareholders’ equity	211,411	298,660	176,803	115,568

(a) Includes the results of Dover Downs from the date of its acquisition on March 28, 2019.

(b) Includes the results of Tiverton Casino Hotel from its opening on September 1, 2018 and the results of Newport Grand up until its closing on August 28, 2018.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review Item 1A. “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in this Annual Report on Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a Delaware corporation headquartered in Providence, Rhode Island, and a multi-jurisdictional owner of gaming and racing facilities, including slot machines and various casino table games, and restaurant and hotel facilities. Through our wholly owned subsidiary TRMG, we currently own and manage the Twin River Casino Hotel in Lincoln, Rhode Island, which is our flagship property, the Tiverton Casino Hotel in Tiverton, Rhode Island, Hard Rock Biloxi in Biloxi, Mississippi, Dover Downs in Dover, Delaware, the Golden Gates, Golden Gulch and Mardi Gras casinos (collectively “Black Hawk Casinos”) and Mile High USA in Aurora, Colorado. Following the closure of the Newport Grand Casino (“Newport Grand”) in August 2018, we opened the Tiverton Casino Hotel on September 1, 2018. On March 28, 2019, we completed our acquisition of Dover Downs Gaming & Entertainment Inc., which consisted of Dover Downs Casino Hotel (collectively, “Dover Downs”). On January 23, 2020 we completed our acquisition of the Black Hawk Casinos. As of February 29, 2020, our casinos had an aggregate of over 446,000 square feet of gaming space, approximately 9,130 slot machines, approximately 267 gaming tables, approximately 54 stadium gaming positions, approximately 45 dining establishments, 25 bars, three entertainment venues and approximately 1,200 hotel rooms.

Twin River Casino Hotel, Hard Rock Biloxi, Tiverton Casino Hotel, Dover Downs and Mile High USA have been aggregated into three reportable segments, Rhode Island, Delaware and Biloxi. Newport Grand, which represented an immaterial operating segment and operated up until its closing in August 2018, has been aggregated with Twin River Casino Hotel and Tiverton Casino Hotel to form the Rhode Island reportable segment. Our Biloxi segment includes only Hard Rock Biloxi. Our Delaware reportable segment includes only Dover Downs. The “Other” category includes Mile High USA, an immaterial operating segment. “Other” also includes interest expense for the Company and certain corporate operating expenses that are not allocated to the other segments, which include, among other expenses, share-based compensation, merger and acquisition costs, and certain non-recurring charges. We anticipate that the Black Hawk Casinos will operate as a separate operating segment and we are still evaluating the reporting segment structure inclusive of the Black Hawk Casinos.

Results of Operations

The following table presents, for the periods indicated, certain revenue and income items:

(In millions)	Years Ended December 31,		
	2019	2018	2017
Total revenue	\$ 523.6	\$ 437.5	\$ 421.1
Income from operations	114.6	120.6	123.7
Net income	55.1	71.4	62.2

The following table presents, for the periods indicated, certain income and expense items expressed as a percentage of total revenue:

	Years Ended December 31,		
	2019	2018	2017
Total revenue	100.0 %	100.0 %	100.0 %
Gaming, racing, hotel, food and beverage, retail, entertainment and other expenses	35.4 %	30.9 %	29.8 %
Advertising, general and administrative	34.5 %	32.7 %	35.5 %
Other operating costs and expenses	2.1 %	3.7 %	0.0 %
Depreciation and amortization	6.2 %	5.1 %	5.3 %
Total operating costs and expenses	78.1 %	72.4 %	70.6 %
Income from operations	21.9 %	27.6 %	29.4 %
Other income (expense):			
Interest income	0.4 %	0.0 %	0.0 %
Interest expense	(7.6)%	(5.3)%	(5.4)%
Loss on extinguishment and modification of debt	(0.3)%	0.0 %	0.0 %
Other, net	0.0 %	0.0 %	0.0 %
Total other expense, net	(7.5)%	(5.2)%	(5.4)%
Income before provision for income taxes	14.4 %	22.4 %	24.0 %
Provision for income taxes	3.8 %	6.0 %	9.2 %
Net income	10.5 %	16.3 %	14.8 %

Note: Amounts in table may not subtotal due to rounding.

Segment Information

The following table sets forth certain financial information associated with results of operations for the years ended December 31, 2019, 2018 and 2017. Non-gaming revenue includes hotel, food and beverage and other revenue. Non-gaming expenses include hotel, food and beverage and retail, entertainment and other expenses.

(In thousands, except percentages)

	Years Ended December 31,			2019 over 2018		2018 over 2017	
	2019	2018	2017	\$ Change	% Change	\$ Change	% Change
Revenue:							
Gaming and Racing revenue							
Rhode Island	\$ 243,372	\$ 249,922	\$ 239,126	\$ (6,550)	(2.6)%	\$ 10,796	4.5 %
Delaware	44,796	—	—	44,796	100.0 %	—	— %
Biloxi	84,247	81,614	79,570	2,633	3.2 %	2,044	2.6 %
Other	8,647	9,362	10,132	(715)	(7.6)%	(770)	(7.6)%
Total Gaming and Racing revenue	381,062	340,898	328,828	40,164	11.8 %	12,070	3.7 %
Non-gaming revenue							
Rhode Island	62,934	52,730	48,733	10,204	19.4 %	3,997	8.2 %
Delaware	36,010	—	—	36,010	100.0 %	—	— %
Biloxi	43,185	43,523	43,124	(338)	(0.8)%	399	0.9 %
Other	386	386	368	—	— %	18	4.9 %
Total Non-gaming revenue	142,515	96,639	92,225	45,876	47.5 %	4,414	4.8 %
Total revenue	523,577	437,537	421,053	86,040	19.7 %	16,484	3.9 %
Operating costs and expenses:							
Gaming and Racing expenses							
Rhode Island	\$ 53,431	\$ 47,567	\$ 41,961	\$ 5,864	12.3 %	\$ 5,606	13.4 %
Delaware	16,139	—	—	16,139	100.0 %	—	— %
Biloxi	28,159	27,325	26,753	834	3.1 %	572	2.1 %
Other	5,828	5,937	6,378	(109)	(1.8)%	(441)	(6.9)%
Total Gaming and Racing expenses	103,557	80,829	75,092	22,728	28.1 %	5,737	7.6 %
Non-gaming expenses							
Rhode Island	35,625	31,323	27,848	4,302	13.7 %	3,475	12.5 %
Delaware	22,426	—	—	22,426	100.0 %	—	— %
Biloxi	23,487	23,002	22,382	485	2.1 %	620	2.8 %
Other	77	88	91	(11)	(12.5)%	(3)	(3.3)%
Total Non-gaming expenses	81,615	54,413	50,321	27,202	50.0 %	4,092	8.1 %
Advertising, general and administrative							
Rhode Island	86,148	85,650	76,090	498	0.6 %	9,560	12.6 %
Delaware	25,584	—	—	25,584	100.0 %	—	— %
Biloxi	38,654	37,955	38,582	699	1.8 %	(627)	(1.6)%
Other	30,014	19,673	34,887	10,341	52.6 %	(15,214)	(43.6)%
Total Advertising, general and administrative	180,400	143,278	149,559	37,122	25.9 %	(6,281)	(4.2)%
Margins:							
Gaming and Racing expenses as a percentage of Gaming and Racing revenue	27%	24%	23%		3 %		1 %
Non-gaming expenses as a percentage of Non-gaming revenue	57%	56%	55%		1 %		1 %
Advertising, general and administrative as a percentage of Total Revenue	34%	33%	36%		1 %		(3)%

Year ended December 31, 2019 compared to year ended December 31, 2018

Total revenue

Total revenue for the year ended December 31, 2019 increased 19.7% to \$523.6 million, from \$437.5 million in 2018. This increase was primarily attributable to the addition of Dover Downs, which added \$80.8 million of revenue in 2019. Revenue was also favorably impacted by incremental revenue at the Tiverton Casino, which opened on September 1, 2018 replacing Newport Grand which closed on August 28, 2018. New competition in the New England market, and the associated increases in marketing and promotional activity, significantly impacted revenue in the second half of 2019 at Twin River Casino Hotel. We expect this unusually high level of competitive market activity to moderate over time and are responding with new initiatives of our own, the combination of which we believe will result in some recaptured market share over time. In 2019, Tiverton Casino Hotel continued to demonstrate marked resilience in the face of the new regional competition mentioned above and Hard Rock Biloxi gaming revenue performance remained strong.

Gaming revenue for the year ended December 31, 2019 increased \$40.2 million, or 12.3%, food and beverage revenue increased \$21.5 million, or 44.5%, and hotel revenue increased \$17.6 million, or 82.7%, each compared to the prior year.

Operating costs and expenses

For 2019, we recorded total operating costs and expenses of \$409.0 million, up 29.1% compared to the \$316.9 million we recorded in 2018. Gaming and racing expenses for the year ended December 31, 2019 increased \$22.7 million, or 28.1%, to \$103.6 million from \$80.8 million in 2018. Gaming and racing expenses from Dover Downs and incremental gaming and racing expenses from Tiverton Casino Hotel, partially offset by the closing of Newport Grand, accounted for \$23.1 million of the increase year-over-year.

Non-gaming expenses for the year ended December 31, 2019 increased \$27.2 million, or 50.0%, to \$81.6 million from \$54.4 million in 2018. This increase was primarily attributable to the inclusion of Dover Downs, coupled with increases of \$0.8 million and \$1.7 million in our Rhode Island segment due to the opening of the Tiverton Casino Hotel and the new hotel at Twin River Casino Hotel, respectively, partially offset by the closing of Newport Grand.

We expect our total operating costs and expenses to increase in 2020 as compared to 2019 as a result of the inclusion of four quarters of Dover Downs operations, our Black Hawk Casinos operations and the operations that we expect to acquire in Mississippi and Missouri.

Advertising, general and administrative

Advertising, general and administrative expenses for the year ended December 31, 2019 increased \$37.1 million, or 25.9%, to \$180.4 million from \$143.3 million, in 2018. The increase in advertising, general and administrative expenses year-over-year is primarily due to the following:

- the addition of Dover Downs, which accounted for \$25.6 million for the year ended December 31, 2019;
- an increase in share-based compensation expense of \$3.8 million in the year ended December 31, 2019 compared to a benefit of \$1.5 million in 2018, due to a reduction in the fair value of outstanding liability classified awards as well as the timing of grants and the mix of liability classified awards, creating expense volatility in 2018;
- professional advisory fees of \$3.5 million for the year ended December 31, 2019 associated with our capital return program;
- higher corporate overhead costs as we made corporate investments in preparation of future growth coupled with the additional costs to meet reporting requirements associated with becoming a publicly traded company; and
- credit agreement amendment expenses of \$2.9 million related to the Company's debt refinancing for the year ended December 31, 2019, compared to \$0.5 million in 2018.

We expect share-based compensation expense to increase meaningfully in the year ended December 31, 2020 compared to 2019, with a significant portion recorded during the first quarter of 2020.

Acquisition, integration and restructuring expense

We incurred \$12.2 million of acquisition, integration and restructuring expense during the year ended December 31, 2019 compared to \$6.8 million in 2018. The Dover Downs merger and going public expenses were \$7.9 million for 2019, compared to \$6.6 million in 2018. Additionally, we incurred \$1.7 million and \$1.3 million of acquisition costs related to the acquisitions of the Black Hawk Casinos and Isle Kansas City and Lady Luck Vicksburg, respectively, in the current period. During the year ended December 31, 2019, we reported restructuring expense of \$1.3 million related to severance costs incurred attributable to the acquisition of Dover Downs as well as severance costs at our Twin River Casino Hotel location as a result of a voluntary termination program put into place in response to softness in the market due to new competition.

Other operating costs and expenses

During the year ended December 31, 2019 we recorded a gain on insurance recoveries of \$1.2 million related to proceeds received for a damaged roof at the Company's Arapahoe Park racetrack. During the year ended December 31, 2018, we recorded other operating costs and expenses of \$6.5 million, directly attributable to a disposal loss related to the sale of Newport Grand. We also incurred \$2.7 million of expansion and pre-opening expenses during the year ended December 31, 2018 related to Tiverton Casino Hotel prior to its opening on September 1, 2018.

Depreciation and amortization

Depreciation and amortization of intangibles expense for the year ended December 31, 2019 was \$32.4 million, an increase of \$10.1 million, or 45.0%, compared to \$22.3 million in 2018. The increase is attributable to increased depreciation as a result of the Tiverton Casino Hotel, which opened in late 2018, the Dover Downs acquisition and, to a lesser extent, the new hotel at Twin River Casino Hotel.

Income from operations

Income from operations was \$114.6 million for the year ended December 31, 2019 compared to \$120.6 million in 2018. As a percentage of total revenue income from operations decreased from 27.6% to 21.9%, primarily driven by the factors driving the increase in advertising, general and administrative expenses noted above.

Other income (expense)

Total other expense increased \$16.6 million, or 72.6%, to \$39.4 million for the year ended December 31, 2019 from \$22.9 million in 2018. Total other expense is primarily comprised of interest expense, which was \$39.8 million for the year ended December 31, 2019, an increase of \$16.8 million from \$23.0 million in 2018, due to increased borrowings and higher interest rates year-over-year. The year ended December 31, 2019 also included a loss on extinguishment and modification of debt of \$1.7 million as a result of the debt refinancing completed during the second quarter of 2019.

Provision for income taxes

Provision for income taxes for the year ended December 31, 2019 decreased \$6.3 million from \$26.4 million in 2018 to \$20.1 million. The effective tax rate for the year ended December 31, 2019 was 26.7%, compared to 27.0% in 2018. The decrease in the effective tax rate was primarily due to the fluctuations in the income concentrations between the segments compared to the prior year.

Net Income and earnings per share ("EPS")

Reported net income for the year ended December 31, 2019 was \$55.1 million, a decrease of 22.8% from \$71.4 million in 2018. As a percentage of total revenue, net income decreased from 16.3% in 2018 to 10.5% for the year ended December 31, 2019. Diluted EPS for the year ended December 31, 2019 was \$1.46, compared to \$1.87 for the year ended December 31, 2018, and was impacted by the factors noted above and share repurchases under our capital return program during the year.

Year ended December 31, 2018 compared to year ended December 31, 2017

The information required by this section can be found in our Part II. Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2018.

Liquidity and Capital Resources

Cash Flow Summary

(In thousands)	Years Ended December 31,		
	2019	2018	2017
Net cash provided by operating activities	\$ 94,100	\$ 109,244	\$ 107,832
Net cash used in investing activities	(38,925)	(117,600)	(47,485)
Net cash provided by (used in) financing activities	48,896	(3,429)	(28,933)

Operating Activities

Net cash provided by operating activities for the year ended December 31, 2019 was \$94.1 million, a decrease of \$15.1 million compared to 2018. This decrease was attributable to a \$16.3 million decrease in net income and a \$13.2 million decrease in operating assets and liabilities, partially offset by a \$14.4 million increase in non-cash items. The decrease in operating assets and liabilities was driven by a \$10.2 million decrease in cash used in accrued liabilities, driven primarily by the addition of the accrued liabilities related to the Dover Downs operating segment, and a \$12.4 million increase in cash used in prepaid expenses and other assets, related to prepaid taxes, offset by an increase in cash provided by accounts receivable of \$10.1 million, resulting primarily from the acquisition of Dover Downs and the decrease in receivables related to the Tiverton Casino Hotel.

Net cash provided by operating activities for the year ended December 31, 2018 was \$109.2 million, an increase of \$1.4 million, compared to the year ended December 31, 2017. This increase was primarily attributable to a \$7.7 million increase in net income adjusted for non-cash items that remained relatively consistent, up \$1.5 million, for the year ended December 31, 2018 compared to 2017. This increase is partially offset by a \$6.3 million decrease in cash provided by operating assets and liabilities, primarily driven by a \$6.3 million increase in cash used in prepaid expenses and other assets related to prepaid taxes, and an increase in accounts receivable of \$4.0 million resulting primarily from higher balances due from the State of Rhode Island in connection with the Tiverton Casino Hotel, including a one-time \$1.8 million receivable associated with construction of a roundabout built in conjunction with the Tiverton Casino Hotel. These decreases were partially offset by an increase in cash provided by accounts payable and accrued expenses of \$2.7 million due to incrementally higher accounts payable and accrued balances associated with the Tiverton Casino Hotel as compared to Newport Grand.

We believe that our net cash flows from operating activities and funds available from our Credit Facility will be sufficient to provide for our working capital needs and capital spending requirements for the foreseeable future. However, with the Expanding Gaming Act that was signed into law in Massachusetts and the resulting opening of competitors' new facilities in that state, we are facing increased competition in the Rhode Island market that we believe will continue. In June 2015, the slots-only Plainridge Park Casino opened in Plainville, Massachusetts. In the third quarter of 2018, MGM Resorts International opened the Springfield resort casino in Springfield, Massachusetts and in June 2019, Encore Boston Harbor opened in Everett, Massachusetts. While competition has and will continue to affect us, by focusing on attracting and maintaining customers and continuing to refine our marketing programs, we believe we will continue to be competitive in our markets.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2019 was \$38.9 million, a decrease of \$78.7 million compared to \$117.6 million used in investing activities for 2018. The change was primarily driven by a reduction in capital expenditures compared to the prior year related to the Tiverton Casino Hotel and the new hotel at Twin River Casino Hotel of \$92.7 million and \$18.6 million, respectively. This decrease was partially offset by the cash outlay for the acquisition of Dover Downs, net of cash acquired of \$9.6 million, and a year-over-year increase in maintenance and small project capital expenditures of \$10.7 million.

Net cash used in investing activities for the year ended December 31, 2018 was \$117.6 million, an increase of \$70.1 million compared to \$47.5 million used in investing activities for 2017. The change was primarily driven by an increase in capital expenditures for the Tiverton Casino Hotel and the new hotel at Twin River Casino Hotel of \$60.2 million and \$17.5 million, respectively, partially offset by proceeds of \$7.1 million from the sale of the land and building relating of the closing of the Newport Grand and an increase in the repayments of the loans to officers and directors related to taxes on stock options of \$5.0 million. All loans to officers and directors were repaid during 2018.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2019 was \$48.9 million compared to net cash used in financing activities of \$3.4 million for 2018. This change was primarily driven by proceeds received from the Term Loan Facility and Senior Notes (both defined below) net of fees incurred, of \$683.2 million, partially offset by an increase in debt repayments of \$309.4 million on our previous term loan and the required quarterly payments on our new Term Loan Facility. During 2019, we also paid \$223.1 million to repurchase shares of our common stock, including shares repurchased in connection with our Dutch auction tender offer completed in July, and paid cash dividends of \$7.5 million to shareholders under our capital return program.

Net cash used in financing activities for the year ended December 31, 2018 was \$3.4 million, a decrease of \$25.5 million compared to cash used in financing activities in 2017. This decrease was primarily driven by an increase in borrowings of \$31.0 million, which was partially offset by an increase in repayments of \$4.0 million, and an increase in the cash received for stock options exercised via repayment of non-recourse notes of \$4.0 million. This increase was partially offset by an increase of stock repurchases of \$5.7 million related to equity awards put to us by holders of our options and other entity-based awards.

Working Capital

At December 31, 2019, net working capital balance was \$155.2 million, compared to \$46.9 million at December 31, 2018. The increase in working capital of \$108.4 million is primarily attributable to proceeds received from the Term Loan Facility and Senior Notes (both defined below) net of fees incurred and repayment of existing debt balances, which drove our cash and cash equivalents and restricted cash balances to \$185.5 million at December 31, 2019 compared to \$81.4 million in 2018, coupled with cash from operations for the year ended December 31, 2019, offset by share repurchases of \$222.7 million under our capital return program, the acquisition of Dover Downs and capital expenditures.

At December 31, 2018, cash and cash equivalents and restricted cash totaled \$81.4 million, compared to \$93.2 million at December 31, 2017. This decrease is primarily attributable to capital expenditures of \$128.9 million, including those related to the Tiverton Casino Hotel and the new hotel at Twin River Casino Hotel, partially offset by cash provided by operating activities of \$109.2 million and proceeds from the sale of Newport Grand land and building of \$7.1 million.

At December 31, 2018, net working capital balance was \$46.9 million, compared to \$17.8 million at December 31, 2017. The increase was primarily attributable to the decrease in the current portion of the term loan of \$29.7 million, as a mandatory prepayment was due on December 31, 2017, as well as a decrease of \$10.9 million in accounts payable and accrued liabilities balances primarily driven by the completion of the Tiverton Casino Hotel and the completion of the new hotel at Twin River Casino Hotel. These decreases in current liabilities were partially offset by a decrease in cash and cash equivalents and restricted cash, discussed above.

We assess liquidity in terms of the ability to generate cash to fund operating, investing and financing activities. The primary ongoing cash requirements will be to fund operations, capital expenditures, interest payments, investments and pay a quarterly dividend in line with our business strategy. We believe that future operating cash flows will be sufficient to meet future needs for operating and internal investing cash for the next twelve months. Furthermore, existing cash balances and availability of additional borrowings under the Credit Facility provide additional sources of liquidity, which were utilized to fund the \$73.9 million tender offer, which we completed on July 26, 2019, and \$148.8 million of share repurchases under our capital return program during 2019, and to fund the payment of the purchase price for the acquisition of the Black Hawk Casinos. While we may seek other funding alternatives, we believe existing cash balances and availability under our Credit Facility will provide the cash necessary to fund our proposed acquisition of Isle Kansas City and Lady Luck Vicksburg, which is expected to close in the second quarter of 2020.

Capital Return Program and Quarterly Cash Dividend

During the second quarter of 2019, we announced that our Board of Directors approved a capital return program under which the Company may expend a total of up to \$250 million for a share repurchase program and payment of dividends. On July 26, 2019, the Company completed a modified Dutch auction tender offer (“Offer”), purchasing 2,504,971 common shares at an aggregate purchase price of \$73.9 million. The Offer was funded with cash on hand. During the year ended December 31, 2019, the Company repurchased an additional 6,558,379 common shares under the capital return program. During the year ended December 31, 2019, the Company paid cash dividends of \$0.10 per common share in each of the third and fourth quarters, for a total of \$0.20 per common share and a total cost of approximately \$7.6 million. As of December 31, 2019, \$19.7 million remained available for use under the aforementioned program.

On February 10, 2020, the Board of Directors approved an increase in the capital return program of \$100.0 million. Additionally, on February 24, 2020 the Company’s Board of Directors declared a cash dividend of \$0.10 per common share to shareholders of record as of the close of business on March 6, 2020, payable on March 20, 2020. We expect to continue to opportunistically repurchase shares of our common stock under our capital return program and anticipate that we will continue to pay quarterly cash dividends on our common stock targeted at approximately 1% on an annual yield basis based on our recent common stock trading price. However, future dividends will be considered and declared by the Board of Directors at its discretion.

Any future repurchases of our common stock may be effected through one or more private repurchase transactions, tender offers and/or market or accelerated share repurchase programs. The amount, timing and terms of any return of capital to shareholders will be determined at that time and will be based on prevailing market conditions, our financial condition and prospects, our debt and regulatory covenants, our near- and long-term cash requirements and other factors.

Senior Secured Credit Facility

On May 10, 2019, the Company entered into the Credit Agreement with the Agent and the lenders party thereto. The Credit Facility, consists of the \$300.0 million Term Loan Facility and the \$250.0 million Revolving Credit Facility. There were no borrowings under the Revolver during 2019. The Company’s obligations under the Revolver will mature on May 10, 2024. The Company’s obligations under the Term Loan Facility will mature on May 10, 2026. Beginning September 30, 2019, the Company is required to make quarterly principal payments of \$750,000 on the Term Loan Facility on the last day of each fiscal quarter. In addition, the Company is required to make mandatory payments of amounts outstanding under the Credit Facility with the proceeds of certain casualty events, debt issuances and asset sales and, commencing January 1, 2020, the Company is required to apply a portion of its excess cash flow to repay amounts outstanding under the Credit Facility.

6.75% Senior Notes due 2027

On May 10, 2019, the Company issued \$400 million aggregate principal amount of 6.75% unsecured senior notes due June 1, 2027 (the “Senior Notes”). Interest on the Senior Notes will be paid semi-annually in arrears on June 1 and December 1. The Company used a portion of the net proceeds from the Senior Notes, together with a portion of the proceeds from our Term Loan Facility, to repay borrowings under its retired bank credit facility. The balance of such net proceeds as of December 31, 2019 was held in cash.

Refer to “Note 10 “Long-Term Debt” in Item 8 of this Annual Report on Form 10-K.

Capital Expenditures

Capital expenditures are accounted for as either project or maintenance (replacement) capital expenditures. Project capital expenditures are for fixed asset additions that expand an existing facility or create a new facility. Maintenance and small project capital expenditures are expenditures to replace existing fixed assets with a useful life greater than one year that are obsolete, worn out or no longer cost effective to repair.

For the year ended December 31, 2019, capital expenditures were \$28.2 million compared to \$128.9 million in 2018. The decrease in capital expenditures year-over-year is primarily driven by the project completions of Tiverton Casino Hotel and the new hotel for Twin River Casino Hotel during 2018, partially offset by capital expenditures following the acquisition of Dover Downs and maintenance and small project capital expenditures. We expect capital expenditures in 2020 to exceed 2019 amounts as we are anticipating commencing improvements to the Isle Kansas City property following completion of our pending acquisition of that property. We may also commence our expansion and other capital improvements at our Twin River Casino Hotel location related to our proposed partnership with IGT late in 2020.

Contractual Obligations

The following table has been included to assist understanding our debt and similar obligations as of December 31, 2019:

<i>(In thousands)</i>	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Current and long-term obligations, at par	\$ 298,500	\$ 3,000	\$ 9,000	\$ 6,000	\$ 280,500
Senior notes, at par	400,000	—	—	—	400,000
Interest ^(a)	286,936	40,529	120,767	79,829	45,811
Operating Leases ^(b)	29,192	2,157	5,779	3,291	17,965
Total contractual obligations	\$ 1,014,628	\$ 45,686	\$ 135,546	\$ 89,120	\$ 744,276

(a) Interest for the term loan with obligations at par of \$298,500 is calculated at the December 31, 2019 interest rate of 4.55% and interest for senior notes with obligations at par of \$400,000 is calculated at the stated rate of 6.75%.

(b) Represents the minimum rents payable under operating leases.

Off-Balance Sheet Arrangements

Except for obligations under operating leases described above under “Contractual Obligations” and performance obligations incurred in the ordinary course of business, we are not party to any off-balance sheet arrangements involving guarantee, contingency or similar obligations to entities whose financial statements are not consolidated with our results, and that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to investors in our securities.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. The SEC has defined critical accounting policies as those that are both most important to the portrayal of our financial condition and results and require our most difficult, complex or subjective judgments or estimates. Based on this definition, we believe our critical accounting policies are: (i) valuing intangible assets, (ii) valuing goodwill, (iii) income taxes, (iv) business combinations and (v) pension plans. For all financial statement periods presented, there have been no material modifications to the application of these critical accounting policies and estimates.

Valuation of Intangible Assets

As a result of “fresh start accounting”, we adjusted the Twin River Casino Hotel intangible assets to reflect their fair values on November 5, 2010 (the “Emergence Date”). Intangible assets consist of a Rhode Island VLT license, the Master Video Lottery Terminal Contract (the “Contract”) with the Division of Lotteries for the State of Rhode Island and the State of Rhode Island Department of Transportation, as amended, the Twin River trade name and the Twin River Casino Hotel rated player relationships. The Rhode Island VLT license has an indefinite life and therefore is not being amortized. The Contract for the VLTs, the Twin River Casino Hotel rated player relationships and the Twin River trade name are being amortized using the straight-line method based on their estimated useful lives from the Emergence Date.

Intangible assets identified in connection with the Hard Rock Biloxi acquisition include a license agreement with Hard Rock Hotel Licensing, Inc., rated player relationships, pre-bookings and origination costs and leases in place which are amortized over their estimated useful lives using the straight-line method.

Intangible assets identified in connection with the Newport Grand acquisition include a Rhode Island VLT license, rated player relationships and the Newport Grand trade name. The Rhode Island VLT license has an indefinite life and therefore is not being amortized. The Newport Grand rated player relationships and trade name are being amortized over their estimated useful lives using the straight-line method. Intangible assets for Newport Grand were immaterial when Newport Grand closed on August 28, 2018.

The identifiable intangible assets identified in connection with the acquisition of Dover Downs include trademarks, rated player relationships and hotel and conference pre-bookings, which are being amortized on a straight-line basis over estimated useful lives.

We periodically evaluate the remaining useful lives of our finite-lived intangible assets to determine whether events and circumstances warrant a revision to the remaining period of amortization.

Intangible assets not subject to amortization are reviewed for impairment annually and between annual test dates whenever events or changes in circumstances may indicate that the carrying amount of the related asset may not be recoverable.

Valuation of Goodwill

Goodwill represents the excess of reorganization value over the fair market value of Twin River Casino Hotel net assets on the Emergence Date and the excess of the Hard Rock Biloxi, Newport Grand and Dover Downs purchase prices over the respective fair values of tangible and identifiable assets acquired and liabilities assumed. We are required to test goodwill for impairment at least annually, and between annual tests if events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. We have elected to perform our annual tests for indications of goodwill impairment as of the first day of the fourth quarter of each year. We test for goodwill impairment at the reporting unit level, which is at or one level below the operating segment level.

When assessing goodwill for impairment, first, qualitative factors are assessed to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. The quantitative goodwill test compares the estimated fair value of each reporting unit with its estimated net book value (including goodwill and identifiable intangible assets). If the reporting unit's estimated fair value exceeds its estimated net book value, goodwill is not impaired. Prior to the adoption of Accounting Standards Update ("ASU") 2017-04, *Intangibles—Goodwill and Other (Topic 350)—Simplifying the Test for Goodwill Impairment* for our 2017 goodwill impairment test, if a reporting unit's estimated fair value did not exceed its carrying value, an impairment was recognized if the implied fair value of goodwill was less than its carrying value. After the adoption of this new standard, an impairment is recognized if the estimated fair value of a reporting unit is less than its estimated net book value, in an amount not to exceed the carrying value of the reporting unit's goodwill.

Income Taxes

We prepare our income tax provision in accordance with ASC 740, *Income Taxes*. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the rate change is enacted. A valuation allowance is required when it is "more likely than not" that all or a portion of the deferred taxes will not be realized. The consolidated financial statements reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all relevant facts.

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118") to provide guidance on accounting for the tax effects of the TCJA. SAB 118 provides a measurement period that begins in the reporting period that includes the TCJA's enactment date and ends when an entity has obtained, prepared, and analyzed the information that was needed in order to complete the accounting requirements under ASC 740, however in no circumstance should the measurement period extend beyond one year from the enactment date. In accordance with SAB 118, a company must reflect in its financial statements the income tax effects of those aspects of the TCJA for which the accounting under ASC 740 is complete. SAB 118 provides that to the extent that a company's accounting for certain income tax effects of the TCJA is incomplete, but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements.

We recorded the impact of enactment of U.S. tax reform subject to SAB 118, which provided for a twelve-month remeasurement period to complete the accounting required under Accounting Standards Codification ("ASC") 740, Income Taxes. During the fourth quarter of 2018, we completed our analysis to determine the deferred tax effect of the TCJA and recorded immaterial adjustments as of December 22, 2018.

Business Combinations

We account for acquired businesses using the acquisition method of accounting which requires that the assets acquired and liabilities assumed be recorded at the date of the acquisition at their respective estimated fair values. Goodwill represents the excess of cost over the fair value of net assets acquired in a business combination. The judgments made in determining the estimated fair value assigned to each class of assets acquired, as well as the estimated useful life of each asset, can materially impact the net income of the periods subsequent to the acquisition through depreciation and amortization, and in certain instances through impairment charges, if the asset becomes impaired in the future. In determining the estimated fair value for intangible assets, we typically utilize the income approach, which discounts the projected future net cash flow using a discount rate deemed appropriate by management that reflects the risks associated with such projected future cash flow.

Determining the useful life of an intangible asset also requires judgment, as different types of intangible assets will have different useful lives and certain assets may even be considered to have indefinite useful lives. Intangible assets determined to have an indefinite useful life are reassessed periodically based on the expected use of the asset by us, legal or contractual provisions that may affect the useful life or renewal or extension of the asset's contractual life without substantial cost, and the effects of demand, competition and other economic factors.

Pension Plan

We sponsor a defined benefit pension plan that covers certain employees who meet eligibility requirements. On June 15, 2011, it was announced that the Dover Downs Pension Plan was frozen to participation and benefit accruals as of July 31, 2011. The benefits provided by our defined benefit pension plan are based on years of service and employee's remuneration through July 31, 2011.

While we believe the valuation methods used to determine the fair value of plan assets are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The determination of our obligation and related expense for Company-sponsored pension benefits is dependent, in part, on management's selection of certain actuarial assumptions used in calculating these amounts. These assumptions include, among other things, the discount rate and the expected long-term rate of return on plan assets. See Note 14 "Employee Benefit Plans" in the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for information related to the actuarial assumptions used in determining pension liabilities and expenses.

We review and select the discount rate to be used in connection with our pension obligation annually. The discount rate reflects the current rate at which the associated liabilities could be effectively settled at the end of the year. We set our rate to reflect the yield of a portfolio of high quality, fixed-income debt instruments that would produce cash flows sufficient in timing and amount to settle projected future benefits.

Our assumption regarding expected long-term rate of return on plan assets is determined based on the portfolio's actual and target composition, current market conditions, forward-looking return and risk assumptions by asset class, and historical long-term investment performance. In accordance with applicable accounting standards, actual results that differ from our assumptions are accumulated and amortized over future periods and, therefore, affect expense and obligations in future periods.

For 2019, each 25 basis point increase/decrease in the discount rate and expected return on plan assets would, collectively, increase/decrease pension expense by less than \$0.1 million. Although we believe our assumptions are appropriate, the actuarial assumptions may differ from actual results due to changing market and economic conditions, higher or lower withdrawal rates and longer or shorter life spans of participants.

Amortization of net actuarial loss or gain expense recognition

We recognize the amortization of net actuarial loss or gain on the Dover Downs Pension Plan over the remaining life expectancy of all plan participants. This is based on the fact that the defined benefit pension plan is both closed to new entrants and all benefit accruals have been frozen.

Full yield curve expense recognition

We utilize the “full yield curve” approach for determining the interest and service cost components of net periodic benefit cost for defined benefit pension plans. Under this method, the discount rate assumption used in the interest and service cost components of net periodic benefit cost is built through applying the specific spot rates along the yield curve used in the determination of the benefit obligation described above, to the relevant projected future cash flows of our pension plan. We believe the “full yield curve” approach reflects a greater correlation between projected benefit cash flows and the corresponding yield curve spot rates and provides a more precise measurement of interest and service costs.

Recently Issued Accounting Pronouncements

For a discussion of recently issued financial accounting standards, refer to Note 3 “Recently Issued and Adopted Accounting Pronouncements”, “Item 8. Financial Statements and Supplementary Data” of this Annual Report on Form 10-K for further detail.

JOBS Act Transition Period

In April 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

We will rely on other exemptions and reduced reporting requirements under the JOBS Act. Subject to certain conditions, as an emerging growth company, we will rely on certain of these exemptions, including without limitation, (1) providing an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (2) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will be considered an emerging growth company until the earlier to occur of (1) the last day of the first fiscal year in which our annual gross revenues exceed \$1.07 billion, (2) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, which could occur if the market value of our shares that are held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter, (3) the date on which we have issued more than \$1.0 billion in non convertible debt during the preceding three-year period and (4) the last day of our fiscal year containing the fifth anniversary of the date on which we first sold common equity securities pursuant to an effective registration statement, or December 31, 2024.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates. We are exposed to changes in interest rates primarily from variable rate long-term debt arrangements. As of December 31, 2019, interest on borrowings under our credit facility was subject to fluctuation based on changes in short-term interest rates. On December 31, 2019, we had \$298.5 million of variable rate debt outstanding under our Term Loan Facility and \$400.0 million in 6.75% unsecured senior notes. Based upon a sensitivity analysis of our debt levels on December 31, 2019, an increase or decrease of 1% in the effective interest rate would cause an increase or decrease in interest expense of approximately \$3.0 million over the next twelve months.

We evaluate our exposure to market risk by monitoring interest rates in the marketplace and we have, on occasion, utilized derivative financial instruments to help manage this risk. We have not historically utilized derivative financial instruments for trading purposes. We do not believe that fluctuations in interest rates had a material effect on our business, financial condition or results of operations during the years ended December 31, 2019, 2018 or 2017.

Inflation generally affects us by increasing our cost of labor. Twin River does not believe that inflation had a material effect on our business, financial condition or results of operations during the years ended December 31, 2019, 2018 or 2017.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements listed below are filed as part of this Annual Report on Form 10-K.

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The accompanying audited consolidated financial statements of Twin River Worldwide Holdings, Inc. (and together with its subsidiaries, the “Company, or “Twin River”) have been prepared in accordance with the instructions to Form 10-K and Regulation S-X and include all information and footnote disclosures necessary for complete financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and Board of Directors of
Twin River Worldwide Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Twin River Worldwide Holdings, Inc. (the "Company"), as of December 31, 2019 and 2018, and the related consolidated statements of operations and comprehensive income, statements of changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2019 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the consolidated financial statements, effective January 1, 2019, the Company adopted FASB Accounting Standards Update 2016-02, Leases, using the modified retrospective approach.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE, LLP

Parsippany, New Jersey

March 13, 2020

We have served as the Company's auditor since 2015.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	December 31,	
	2019	2018
<u>Assets</u>		
Cash and cash equivalents	\$ 182,581	\$ 77,580
Restricted cash	2,921	3,851
Accounts receivable, net	23,190	22,966
Inventory	7,900	6,418
Prepaid expenses and other assets	28,439	11,647
Total current assets	245,031	122,462
Property and equipment, net	510,436	416,148
Right of use assets, net	17,225	—
Goodwill	133,082	132,035
Intangible assets, net	110,373	110,104
Other assets	5,740	1,603
Total assets	<u>\$ 1,021,887</u>	<u>\$ 782,352</u>
<u>Liabilities and Shareholders' Equity</u>		
Current portion of long-term debt	\$ 3,000	\$ 3,595
Current portion of lease obligations	1,014	—
Accounts payable	14,921	14,215
Accrued liabilities	70,849	57,778
Total current liabilities	89,784	75,588
Lease obligations, net of current portion	16,214	—
Pension benefit obligations	8,688	—
Deferred tax liability	13,790	17,526
Long-term debt, net of current portion	680,601	390,578
Other long-term liabilities	1,399	—
Total liabilities	810,476	483,692
Commitments and contingencies		
Shareholders' equity:		
Common stock, par value \$0.01; 100,000,000 shares authorized; 41,193,018 and 39,421,356 shares issued as of December 31, 2019 and 2018, respectively; 32,113,328 and 37,989,376 shares outstanding as of December 31, 2019 and 2018, respectively.	412	380
Additional paid-in-capital	185,544	125,629
Treasury Stock, at cost, 9,079,690 and 1,431,980 shares as of December 31, 2019 and 2018, respectively.	(223,075)	(30,233)
Retained earnings	250,418	202,884
Accumulated other comprehensive loss	(1,888)	—
Total shareholders' equity	211,411	298,660
Total liabilities and shareholders' equity	<u>\$ 1,021,887</u>	<u>\$ 782,352</u>

The accompanying notes are an integral part of these consolidated financial statements.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share data)

	Years Ended December 31,		
	2019	2018	2017
Revenue:			
Gaming	\$ 367,948	\$ 327,740	\$ 314,794
Racing	13,114	13,158	14,034
Hotel	38,988	21,339	19,431
Food and beverage	69,904	48,380	47,004
Other	33,623	26,920	25,790
Total revenue	523,577	437,537	421,053
Operating costs and expenses:			
Gaming	93,965	71,798	65,558
Racing	9,592	9,031	9,534
Hotel	14,841	8,266	7,173
Food and beverage	58,447	40,246	37,371
Retail, entertainment and other	8,327	5,901	5,777
Advertising, general and administrative	180,400	143,278	149,559
Expansion and pre-opening	—	2,678	154
Acquisition, integration and restructuring expense	12,168	6,844	—
Newport Grand disposal loss	—	6,514	—
Gain on insurance recoveries	(1,181)	—	—
Depreciation and amortization	32,392	22,332	22,204
Total operating costs and expenses	408,951	316,888	297,330
Income from operations	114,626	120,649	123,723
Other income (expense):			
Interest income	1,904	173	194
Interest expense, net of amounts capitalized	(39,830)	(23,025)	(22,809)
Loss on extinguishment and modification of debt	(1,703)	—	—
Other, net	183	—	—
Total other expense, net	(39,446)	(22,852)	(22,615)
Income before provision for income taxes	75,180	97,797	101,108
Provision for income taxes	20,050	26,359	38,861
Net income	\$ 55,130	\$ 71,438	\$ 62,247
Deemed dividends related to changes in fair value of common stock subject to possible redemption	—	640	(2,344)
Net income applicable to common stockholders	\$ 55,130	\$ 72,078	\$ 59,903
Net income per share, basic	\$ 1.46	\$ 1.95	\$ 1.64
Weighted average common shares outstanding, basic	37,705,179	36,938,943	36,478,759
Net income per share, diluted	\$ 1.46	\$ 1.87	\$ 1.56
Weighted average common shares outstanding, diluted	37,819,617	38,551,708	38,442,944

The accompanying notes are an integral part of these consolidated financial statements.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	December 31, 2019
Net income	\$ 55,130
Other comprehensive loss (income):	
Defined benefit pension plan:	
Losses arising during the period	(2,740)
Tax effect	852
Net of tax amount	(1,888)
Other comprehensive loss	(1,888)
Total comprehensive income	\$ 53,242

Note: Net income equals comprehensive income for the years ended December 31, 2018 and 2017.

The accompanying notes are an integral part of these consolidated financial statements.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares Outstanding	Amount					
Balance as of December 31, 2016	36,199,704	\$ 362	\$ 64,303	\$ (20,000)	\$ 70,903	\$ —	\$ 115,568
Release of restricted stock	16,968	—	—	—	—	—	—
Common stock subject to possible redemption	(16,968)	—	(326)	—	—	—	(326)
Stock option exercised	54,976	1	1,387	—	—	—	1,388
Stock options exercised via repayment of non-recourse notes	93,332	1	2,274	—	—	—	2,275
Share-based compensation - equity awards	—	—	1,658	—	—	—	1,658
Share repurchases	(93,332)	(1)	1	(2,275)	—	—	(2,275)
Common stock subject to possible redemption	(54,976)	(1)	(1,387)	—	—	—	(1,388)
Deemed dividends related to changes in fair value of common stock subject to possible redemption	—	—	—	—	(2,344)	—	(2,344)
Net income	—	—	—	—	62,247	—	62,247
Balance as of December 31, 2017	36,199,704	362	67,910	(22,275)	130,806	—	176,803
Stock options exercised via repayment of non-recourse notes	1,771,096	18	44,739	—	—	—	44,757
Share-based compensation - equity awards	—	—	1,692	—	—	—	1,692
Release of restricted stock	25,136	—	—	—	—	—	—
Common stock subject to possible redemption	(25,136)	—	(685)	—	—	—	(685)
Share repurchases	(338,648)	(3)	3	(7,958)	—	—	(7,958)
Common stock no longer subject to possible redemption due to extinguishment of Puts	357,224	3	9,095	—	—	—	9,098
Fair value of vested stock options converted from liability to equity awards	—	—	2,875	—	—	—	2,875
Deemed dividend related to changes in fair value of common stock subject to possible redemption	—	—	—	—	640	—	640
Net income	—	—	—	—	71,438	—	71,438
Balance as of December 31, 2018	37,989,376	380	125,629	(30,233)	202,884	—	298,660
Release of restricted stock, net	226,817	2	(428)	—	—	—	(426)
Dividends and dividend equivalents - \$0.20 per share	—	—	—	—	(7,596)	—	(7,596)
Share-based compensation - equity awards	—	—	3,826	—	—	—	3,826
Retirement of treasury shares	—	—	(30,233)	30,233	—	—	—
Stock issued for purchase of Dover Downs	2,976,825	30	86,750	—	—	—	86,780
Share repurchases (including tender offer)	(9,079,690)	—	—	(223,075)	—	—	(223,075)
Other comprehensive loss	—	—	—	—	—	(1,888)	(1,888)
Net income	—	—	—	—	55,130	—	55,130
Balance as of December 31, 2019	32,113,328	\$ 412	\$ 185,544	\$ (223,075)	\$ 250,418	\$ (1,888)	\$ 211,411

The accompanying notes are an integral part of these consolidated financial statements.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands)</i>	Years Ended December 31,		
	2019	2018	2017
Cash flows from operating activities:			
Net income	\$ 55,130	\$ 71,438	\$ 62,247
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of property and equipment	26,459	16,861	16,621
Amortization of intangible assets	5,933	5,471	5,583
Amortization of operating lease right of use assets	1,215	—	—
Share-based compensation - liability awards	—	(3,166)	16,133
Share-based compensation - equity awards	3,826	1,692	1,658
Amortization of debt financial costs and discounts on debt	2,684	3,267	3,287
Loss on extinguishment and modification of debt	1,703	—	—
Bad debt expense	239	202	29
Net pension and other post-retirement benefit income	(39)	—	—
Deferred income taxes	8,995	5,880	(5,126)
Newport Grand disposal loss	—	6,514	—
Loss on disposal of property and equipment	98	11	24
Changes in operating assets and liabilities:			
Accounts receivable	5,211	(4,857)	(870)
Inventory	(89)	842	(461)
Prepaid expenses and other assets	(14,172)	(1,778)	4,547
Accounts payable	(3,860)	(4,078)	1,155
Accrued liabilities	767	10,945	3,005
Net cash provided by operating activities	94,100	109,244	107,832
Cash flows from investing activities:			
Deposit paid	—	(981)	—
Repayment of loans from officers and directors	—	5,360	362
Acquisition of Dover Downs Gaming & Entertainment, Inc., net of cash acquired	(9,606)	—	—
Proceeds from sale of land and building for Newport Grand disposal	—	7,108	—
Proceeds from sale of property and equipment	10	11	6
Capital expenditures, excluding Tiverton Casino Hotel and new hotel at Twin River Casino	(22,582)	(11,874)	(8,574)
Capital expenditures - Tiverton Casino Hotel	(1,855)	(94,581)	(34,355)
Capital expenditures - new hotel at Twin River Casino	(3,800)	(22,435)	(4,924)
Payments associated with licenses	(1,092)	(208)	—
Net cash used in investing activities	(38,925)	(117,600)	(47,485)
Cash flows from financing activities:			
Revolver borrowings	25,000	41,000	10,000
Revolver repayments	(80,000)	(6,000)	(25,000)
Term loan proceeds, net of fees of \$10,655	289,345	—	—
Term loan repayments	(343,939)	(34,527)	(11,564)
Senior note proceeds, net of fees of \$6,130	393,870	—	—
Payment of financing fees	(4,340)	(221)	(373)
Share repurchases (including tender offer)	(223,075)	(7,958)	(2,275)
Stock options exercised via repayment of non-recourse notes	—	4,277	280
Stock options exercised	—	—	237
Stock options put	—	—	(238)
Payment of shareholder dividends	(7,539)	—	—
Share redemption for tax withholdings - restricted stock	(426)	—	—
Net cash provided by (used in) financing activities	48,896	(3,429)	(28,933)
Net change in cash and cash equivalents and restricted cash	104,071	(11,785)	31,414
Cash and cash equivalents and restricted cash, beginning of period	81,431	93,216	61,802

Cash and cash equivalents and restricted cash, end of period	\$	185,502	\$	81,431	\$	93,216
Supplemental disclosure of cash flow information:						
Cash paid for interest	\$	35,040	\$	23,178	\$	20,067
Cash paid for income taxes		16,519		22,217		41,029
Non-cash investing and financing activities:						
Unpaid property and equipment	\$	419	\$	7,073	\$	24,858
Deposit applied to fixed asset purchases		981		—		—
Deemed dividends related to changes in fair value of common stock subject to possible redemption		—		(640)		2,344
Intrinsic value of stock options exercised via repayment of non-recourse note		—		40,480		1,995
Intrinsic value of stock options exercised with cash		—		—		1,151
Termination of operating leases via purchase of underlying assets		1,665		—		—
Common stock no longer subject to possible redemption due to extinguishment of Puts		—		9,098		—
Fair value of vested stock options converted from liability to equity awards		—		2,875		—
Stock issued for acquisition of Dover Downs Gaming & Entertainment, Inc.		86,780		—		—

The accompanying notes are an integral part of these consolidated financial statements.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Description of Business

Twin River Worldwide Holdings, Inc. (the “Company”, “TRWH”) was formed on March 1, 2004. Twin River Management Group, Inc. (“TRMG”), is a wholly-owned subsidiary of the Company and is the parent company of UTGR, Inc. (“Twin River Casino Hotel”), Premier Entertainment Biloxi LLC and subsidiaries (“Hard Rock Biloxi”), Premier Entertainment II, LLC (“Newport Grand”), Mile High USA, Inc. and subsidiaries (“Mile High USA”), Twin River-Tiverton, LLC (“Tiverton Casino Hotel”), Premier Entertainment III, LLC and subsidiaries, (“Dover Downs”), and Premier Entertainment Black Hawk LLC (“Black Hawk Casinos”) all of which are wholly-owned subsidiaries of TRMG.

Twin River Casino Hotel is located in Lincoln, Rhode Island and is authorized to house a maximum of 4,752 Video Lottery Terminals (“VLTs”) and traditional casino table games on behalf of the State of Rhode Island. Twin River Casino Hotel is entitled to a blended 27.8% share of VLT revenue when the maximum number of VLTs are in operation and is entitled to an 83.5% share of revenue from table games as of December 31, 2019. As of December 31, 2019, the property houses approximately 4,108 VLTs, and is entitled to a 28.1% share of VLT revenue on those machines and offers approximately 89 traditional table games, 23 poker tables and 36 stadium gaming positions on behalf of the State of Rhode Island in addition to simulcast racing, various food and beverage venues and a multi-purpose event center. The Twin River Casino Hotel also offers live and mobile sports wagering. The Twin River Casino Hotel has a 136-room hotel.

Hard Rock Biloxi’s operations consist of a casino and hotel located in Biloxi, Mississippi. As of December 31, 2019, the property includes approximately 1,183 slot machines, 52 table games and two hotel towers containing 479 guest rooms and suites, a pool with swim up bar and a spa. The property also features a variety of restaurants and nightlife options.

TRMG formed Premier Entertainment II LLC which acquired substantially all of the assets of Newport Grand Casino located in Newport, Rhode Island on July 14, 2015. Newport Grand housed approximately 1,100 VLTs on behalf of the State of Rhode Island and also offered simulcast wagering as well as a restaurant and bar. Until Newport Grand closed on August 28, 2018, Newport Grand was entitled to a 28.0% share of VLT revenue. The Company has included the results of Newport Grand in its consolidated financial statements from the date of acquisition until the date Newport Grand vacated the building after closing. See Note 6 “Sale of Newport Grand”.

On February 3, 2015, TRMG formed Border Investments LLC for the purpose of acquiring the rights to land located in Tiverton, Rhode Island and subsequently proposed a relocation of the existing Newport Grand gaming license to a new casino to be developed in that town. On November 9, 2015, TRMG formed Twin River-Tiverton, LLC to develop and house the new casino. The Tiverton casino was approved by a majority vote in both the State of Rhode Island and the Town of Tiverton on November 8, 2016. During 2017, the land acquired by Border Investments LLC was transferred to Twin River-Tiverton, LLC and Border Investments LLC was dissolved. On September 1, 2018, the casino and hotel located in Tiverton, Rhode Island (“Tiverton Casino Hotel”) began operations. As of December 31, 2019, the property houses approximately 1,000 VLTs, 32 table games and 18 stadium gaming positions on behalf of the State of Rhode Island. Tiverton Casino Hotel is entitled to a 28.1% share of VLT revenue and an 83.5% share of revenue from table games as of December 31, 2019. The Tiverton Casino Hotel also offers live and mobile sports wagering. The Tiverton Casino Hotel has an 83-room hotel.

On March 28, 2019, the Company, through its wholly owned subsidiary Premier Entertainment III, LLC acquired Dover Downs Gaming & Entertainment, Inc. (“Dover Downs”). In the transaction, each share of Dover Downs common stock and class A common stock was converted into the right to receive 0.0899 shares of the Company’s common stock. Dover Downs common stock, which previously traded under the ticker symbol “DDE” on the New York Stock Exchange (the “NYSE”), ceased trading on, and was delisted from, the NYSE on March 28, 2019. On March 29, 2019, the Company’s common stock was listed on the NYSE and began trading under the ticker symbol “TRWH.” See Note 5 “Acquisitions” for further information.

The Dover Downs operations consist of a casino, a hotel and conference center and a harness racing track located in Dover, Delaware. As of December 31, 2019, the property includes approximately 2,173 slot machines, 35 traditional table games and 3 poker tables, in addition to a harness racing track with pari-mutuel wagering on live and simulcast horse races, online gaming, various food and beverage venues, a full-service spa/salon and a multi-purpose event center. Dover Downs also offers sports wagering. The Dover Downs Hotel and Conference Center has a 500 room hotel.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Mile High USA’s operations consist of a horse racing track and simulcast wagering at Arapahoe Park Racetrack in Aurora, Colorado, as well as simulcast horse and dog wagering at up to 13 licensed off-track betting (“OTB”) sites in Colorado.

The Company has three reportable segments which are operated and managed as follows: 1) Rhode Island, 2) Delaware and 3) Biloxi. See Note 17 “Segment Reporting”.

On January 23, 2020, the Company acquired Affinity Gaming Black Hawk LLC, a subsidiary of Affinity Gaming (“Affinity”), which owned and operated three casino properties: Golden Gates, Golden Gulch and Mardi Gras in Black Hawk, Colorado for \$53 million in cash subject to customary working capital adjustments. See Note 5 “Acquisitions” for further information.

On July 10, 2019 the Company entered into an agreement to acquire the operations and real estate of Isle of Capri Casino Kansas City in Kansas City, Missouri (“Isle Kansas City”) and Lady Luck Casino Vicksburg in Vicksburg, Mississippi (“Lady Luck Vicksburg”). See Note 5 “Acquisitions” for further information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements of the Company include the accounts of the Company and its wholly-owned subsidiary TRMG and its subsidiaries. All significant intercompany transactions and balances have been eliminated in the consolidation. Certain prior year amounts have been reclassified to conform to the current year’s presentation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and revenues and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis, the Company evaluates its estimates and judgments including those related to contingent value rights, the allowance for doubtful accounts, valuation of goodwill and intangible assets, recoverability and useful lives of tangible and intangible long-lived assets, accruals for players club card incentives and for potential liabilities related to any lawsuits or claims brought against the Company, fair value of financial instruments, stock compensation and valuation allowances for deferred tax assets. The Company bases its estimates and judgments on historical experience and other relevant factors impacting the carrying value of assets and liabilities. Actual results may differ from these estimates.

Cash and Cash Equivalents and Restricted Cash

The Company considers all cash balances and highly liquid investments with an original maturity of three months or less to be cash equivalents.

As of December 31, 2019 and 2018, restricted cash of \$2.9 million and \$3.9 million, respectively, was comprised of VLT and table games cash payable to the State of Rhode Island which is unavailable for the Company’s use. The following table reconciles cash and restricted cash in the consolidated balance sheets to the total shown on the consolidated statements of cash flows.

	December 31,		
	2019	2018	2017
Cash and cash equivalents	\$ 182,581	\$ 77,580	\$ 85,814
Restricted cash	2,921	3,851	7,402
Total cash and cash equivalents and restricted cash	<u>\$ 185,502</u>	<u>\$ 81,431</u>	<u>\$ 93,216</u>

Concentrations of Credit Risk

The Company’s financial instruments which potentially expose the Company to concentrations of credit risk consisted of cash and cash equivalents and trade receivables. The Company maintains cash with financial institutions in excess of federally insured limits, however, management believes the credit risk is mitigated by the quality of the institutions holding such deposits.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Accounts receivable are primarily comprised of receivables from the State of Rhode Island for Twin River Casino Hotel's and Tiverton Casino Hotel's share of VLT and table games revenue, receivables from the State of Delaware for Dover Downs' share of VLT and table games revenue, receivables from tracks and OTB locations that air simulcast races, and casino and hotel receivables. As of December 31, 2019 and 2018, receivables from the State of Rhode Island comprised approximately 53% and 60% of the accounts receivable balance, respectively. As of December 31, 2019, receivables from the State of Delaware comprised approximately 10% of the accounts receivable balance.

For the years ended December 31, 2019, 2018 and 2017, gaming revenue from the State of Rhode Island accounted for 46%, 56% and 56% of total revenues, respectively. Based on the Master Video Lottery Terminal Contract (the "Contract") with the State of Rhode Island and historical experience, the Company's management believes any credit risk related to amounts owed to the Company by the State of Rhode Island to be minimal.

Accounts are written off when management determines that an account is uncollectible. Recoveries of accounts previously written off are recorded when received. An allowance for doubtful accounts is determined to reduce the Company's receivables to their carrying value, which approximates fair value. The allowance is estimated based on historical collection experience, specific review of individual customer accounts, and current economic and business conditions. Historically, the Company has not incurred any significant credit-related losses. The allowance was \$1.3 million and \$1.0 million as of December 31, 2019 and 2018, respectively.

Inventory

Inventory is stated at the lower of cost or net realizable value on a first-in, first-out basis and consists primarily of food, beverage, promotional items and other supplies.

Property and Equipment

The Company applied "fresh start accounting" upon emergence from Chapter 11 reorganization, in accordance with the guidance of Accounting Standards Codification ("ASC") 805, *Business Combinations* and ASC 852, *Reorganizations*. As a result of "fresh start accounting", the Company adjusted property and equipment to reflect its fair value on November 5, 2010 (the "Emergence Date"). Additions subsequent to that date have been recorded at cost.

Property and equipment obtained in connection with acquisitions is valued at its estimated fair value as of the date of acquisition. Additions subsequent to the acquisition date are recorded at cost.

Property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method. Expenditures for renewals and betterments that extend the life or value of an asset are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. The costs and related accumulated depreciation applicable to assets sold or disposed are removed from the balance sheet accounts and the resulting gains or losses are reflected in the consolidated statements of operations and comprehensive income.

Development costs directly associated with the acquisition, development and construction of a project are capitalized as a cost of the project during the periods in which activities necessary to prepare the property for its intended use are in progress. Interest costs associated with major construction projects are capitalized as part of the cost of the constructed assets. When no debt is incurred specifically for a project, interest is capitalized on amounts expended for the project using the weighted-average cost of borrowing. Capitalization of interest ceases when the project (or discernible portions of the project) is substantially complete. If substantially all of the construction activities of a project are suspended, capitalization of interest will cease until such activities are resumed. During the year ended December 31, 2019, there was no capitalized interest. During the year ended December 31, 2018, capitalized interest was \$3.4 million.

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As of December 31, 2019 and 2018, property and equipment was comprised of the following:

	Estimated Useful Life (in years)	December 31,	
		2019	2018
Land		\$ 35,146	\$ 31,437
Land improvements	3-40	24,372	23,305
Building and improvements	3-40	458,111	364,561
Equipment	3-10	104,245	87,503
Furniture and fixtures	3-10	22,764	18,715
Construction in process		1,806	1,632
Total property, plant and equipment		646,444	527,153
Less: Accumulated depreciation		(136,008)	(111,005)
Property and equipment, net		\$ 510,436	\$ 416,148

Construction in process relates to costs capitalized in conjunction with major improvements that have not yet been placed in service, and accordingly are not currently being depreciated. The construction in process balance at December 31, 2019 included costs associated with various capital projects in process, primarily at our Twin River Casino Hotel properties and Dover Downs.

Depreciation expense relating to property and equipment was \$26.5 million, \$16.9 million and \$16.6 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Goodwill

Goodwill represents the excess of reorganization value over the fair market value of Twin River Casino Hotel net assets on the Emergence Date and the excess of the Dover Downs Hotel & Casino, Hard Rock Biloxi and Newport Grand purchase prices over the respective fair values of tangible and identifiable assets acquired and liabilities assumed. Goodwill is not amortized, but is reviewed for impairment annually in October, or when events or changes in the business environment indicate that the carrying value of the reporting unit may exceed its fair value, by comparing the fair value of each reporting unit to its carrying value, including goodwill.

When assessing goodwill for impairment, first, qualitative factors are assessed to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. The quantitative goodwill test compares the estimated fair value of each reporting unit with its estimated net book value (including goodwill and identifiable intangible assets). If the reporting unit's estimated fair value exceeds its estimated net book value, goodwill is not impaired. Prior to the adoption of Accounting Standards Update ("ASU") 2017-04, *Intangibles—Goodwill and Other (Topic 350)—Simplifying the Test for Goodwill Impairment* for the Company's 2017 goodwill impairment test, if a reporting unit's estimated fair value did not exceed its carrying value, an impairment was recognized if the implied fair value of goodwill was less than its carrying value. After the adoption of this new standard, an impairment is recognized if the estimated fair value of a reporting unit is less than its estimated net book value, in an amount not to exceed the carrying value of the reporting unit's goodwill.

As of October 1, 2019 and 2018, the Company assessed goodwill for impairment for each of its reporting units. The Company performed a qualitative analysis for the annual assessment of goodwill (commonly referred to as "Step Zero") for its Rhode Island reporting unit, which contained both the Lincoln and Tiverton reporting units, as of October 1, 2019 and 2018. From a qualitative perspective, in evaluating whether it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, relevant events and circumstances are taken into account, with greater weight assigned to events and circumstances that most affect the fair value or the carrying amounts of its assets. Items that were considered included, but were not limited to, the following: macroeconomic conditions, industry and market conditions and overall financial performance. After assessing these and other factors the Company determined that it was more likely than not that the fair value of the Rhode Island reporting units exceeded its carrying amount as of October 1, 2019 and 2018. If future results vary significantly from current estimates and related projections, the Company may be required to record impairment charges.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of October 1, 2019, the Company performed a qualitative analysis for the annual assessment of goodwill (commonly referred to as “Step Zero”) for both the Delaware and Biloxi reporting units. From a qualitative perspective, in evaluating whether it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, relevant events and circumstances are taken into account, with greater weight assigned to events and circumstances that most affect the fair value or the carrying amounts of its assets. Items that were considered included, but were not limited to, the following: macroeconomic conditions, industry and market conditions and overall financial performance. After assessing these and other factors, the Company determined that it was more likely than not that the fair value of the Delaware and Biloxi reporting units exceed their carrying amounts as of October 1, 2019. If future results vary significantly from current estimates and related projections, the Company may be required to record impairment charges.

The Company performed a quantitative test of goodwill for the Biloxi reporting unit as of October 1, 2018. The Company estimates the fair value of its reporting units using both income and market-based approaches. Specifically, the Company applied the Discounted Cash Flow (“DCF”) Method under the Income Approach and the Guideline Company and Comparable Transaction Methods under the Market Approach and weighed the results of the three valuation methodologies based on the facts and circumstances surrounding the Reporting Unit. For the DCF Method, the Company relied on the present value of expected future cash flows, including terminal value, utilizing a market-based weighted average cost of capital (“WACC”) determined separately for the reporting unit as of each valuation date. The determination of fair value under the DCF Method involves the use of significant estimates and assumptions, including revenue growth rates driven by future gaming activity, hotel bookings and food and beverage expectations, operating margins, capital expenditures, working capital requirements, tax rates, terminal growth rates, discount rates and synergistic benefits available to market participants. For the Market Approaches, the Company utilized a comparison of the reporting unit to comparable publicly-traded companies and transactions and, based on the observed multiples for both of these methodologies, ultimately selected multiples to apply to the reporting unit. After assessing these and other factors utilized in the various valuation methodologies described above, the Company determined that the fair value of the Biloxi reporting unit exceeded its carrying amount as of October 1, 2018 and thus there was not impairment. If future results significantly vary from current estimates and related projections, the Company may be required to record impairment charges.

Intangible Assets

As a result of “fresh start accounting”, the Company adjusted Twin River Casino Hotel’s intangible assets to reflect their fair values on the Emergence Date. Intangible assets consist of a Rhode Island VLT license, the Contract with the Division of Lotteries for the State of Rhode Island and the State of Rhode Island Department of Transportation, as amended, the Twin River trade name and the Twin River Casino Hotel rated player relationships. The Rhode Island VLT license has an indefinite life and therefore is not being amortized. The Contract for the VLTs, the Twin River Casino Hotel rated player relationships and the Twin River trade name are being amortized using the straight-line method based on their estimated useful lives from the Emergence Date.

Intangible assets identified in connection with the Hard Rock Biloxi acquisition include a license agreement with Hard Rock Hotel Licensing, Inc., rated player relationships, pre-bookings and origination costs and leases in place which are amortized over their estimated useful lives using the straight-line method.

Intangible assets for Newport Grand were immaterial when Newport Grand closed on August 28, 2018. Prior to its closing, intangible assets included a Rhode Island VLT license, rated player relationships and the Newport Grand trade name. The Rhode Island VLT license had an indefinite life and therefore was not being amortized. The Newport Grand rated player relationships and trade name were being amortized over their estimated useful lives using the straight-line method.

Tiverton Casino Hotel’s intangible assets consist of a Rhode Island VLT license and rated player relationships. The Rhode Island VLT license has an indefinite life and therefore is not being amortized. The Tiverton Casino Hotel rated player relationships are being amortized over their estimated useful lives using the straight-line method.

Intangible assets identified in connection with the Dover Downs acquisition include trademarks, rated player relationships and hotel and conference pre-bookings, which are being amortized over their estimated useful lives using the straight-line method. See Note 5 “Acquisitions”.

The Company periodically evaluates the remaining useful lives of its finite-lived intangible assets to determine whether events and circumstances warrant a revision to the remaining period of amortization.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Intangible assets not subject to amortization are reviewed for impairment annually as of October 1 and between annual test dates whenever events or changes in circumstances may indicate that the carrying amount of the related asset may not be recoverable. The Company determined that its indefinite-lived assets were not impaired as of December 31, 2019 and 2018. If management's estimates of revenues and costs change, it is possible that the Company may incur an impairment loss in the future.

Long-lived Assets

The Company reviews its long-lived assets, other than goodwill and intangible assets not subject to amortization, for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an asset is still under development, the analysis includes the remaining construction costs. Cash flows expected to be generated by the related assets are estimated over the assets' useful lives based on updated projections. If the evaluation indicates that the carrying amount of an asset may not be recoverable, the potential impairment is measured based on a fair value discounted cash flow model.

Debt Issuance Costs and Debt Discounts

Debt issuance costs and debt discounts incurred by the Company in connection with obtaining and amending financing have been included as a component of the carrying amount of debt in the consolidated balance sheets.

Debt issuance costs and debt discounts are amortized over the contractual term of the debt to interest expense. Debt issuance costs of the revolving credit facility are amortized on a straight-line basis, while all other debt issuance costs and debt discounts are amortized using the effective interest method. Amortization of debt issuance costs and debt discounts included in interest expense was \$2.7 million, \$3.3 million and \$3.3 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Self-Insurance Reserves

The Company is self-insured for employee medical insurance coverage up to an individual stop loss of \$100,000 in 2019, 2018 and 2017. Self-insurance liabilities are estimated based on the Company's claims experience using actuarial methods to estimate the future cost of claims and related expenses that have been reported but not settled, and that have been incurred but not yet reported. The self-insurance liabilities are included in accrued liabilities in the consolidated balance sheets. Such amounts were \$1.3 million and \$1.0 million as of December 31, 2019 and 2018, respectively.

Share-Based Compensation

The Company accounts for its share-based compensation in accordance with FASB Codification Topic 718, *Compensation - Stock Compensation* ("ASC 718"). The Company has two share-based employee compensation plans, which are described more fully in Note 12 "Equity Plans". Share-based compensation consists of stock options, time-based restricted stock units ("RSUs"), restricted stock awards ("RSAs"), and performance-based restricted stock units ("PSUs"). The grant date closing price per share of the Company's stock is used to estimate the fair value of RSUs and RSAs. Stock options are granted at exercise prices equal to the fair market value of the Company's stock at the dates of grant. The Company recognizes share-based compensation expense on a straight-line basis over the requisite service period of the individual grants. The Company's Chief Executive Officer and certain of its other executive officers or members of senior management have been granted PSUs which vest, when and if earned, in accordance with the terms of the related PSU award agreements. The Company recognizes share-based compensation expense based on the target number of shares of common stock that may be earned pursuant to the award and the Company's stock price on the date of grant and subsequently adjusts expense based on actual and forecasted performance compared to planned targets. Forfeitures are recognized as reductions to share-based compensation when they occur.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In the second quarter of 2019, the Company changed its accounting principle for reporting share-based compensation expense in the consolidated statements of operations. The new principle is to record compensation expense for share-based compensation awards which contain only a service condition, i.e. time-based awards, using the straight-line method of accounting recognizing compensation expense over the requisite service period and treating all tranches as one award. The Company previously recorded share-based compensation expense for awards with graded vesting over the requisite service period on an accelerated basis, as if each tranche were a separate award. The straight-line method of accounting was adopted to better align the Company's recognition of share-based compensation expense with its peers and to expense RSUs in a consistent manner that is representative of the requisite service period. This change in accounting principle was retrospectively applied, but had an immaterial effect on the condensed consolidated balance sheets, condensed consolidated statements of operations, condensed consolidated statements of shareholders' equity, and condensed consolidated statements of cash flows. As a result of this change in accounting principle, share-based compensation expense was reduced by \$0.5 million for the year ended December 31, 2019. Net income for the year ended December 31, 2019 increased by approximately \$0.4 million, or \$0.01 per diluted share.

Revenue

The Company accounts for revenue earned from contracts with customers under ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASC 606"). The Company generates revenue from five principal sources: gaming services, hotel, racing, food and beverage and other. See Note 4 "Revenue Recognition".

Gaming Expenses

Gaming expenses include, among other things, payroll costs and expenses associated with the operation of VLTs, slots and table games, including the win tax paid to the Mississippi Gaming Commission.

Racing Expenses

Racing expenses include payroll costs, OTB commissions and other expenses associated with the operation of live racing and simulcasting.

Advertising Expense

The Company expenses advertising costs as incurred. For the years ended December 31, 2019, 2018 and 2017, advertising expense was \$7.6 million, \$5.9 million and \$5.8 million, respectively.

Expansion and Pre-opening Expenses

Expansion and pre-opening expenses are charged to expense as incurred. The Company defines pre-opening expenses as costs incurred before the property commences commercial operations and defines expansion expenses as costs incurred in connection with the opening of a new facility or significant expansion of an existing property. Costs classified as expansion and pre-opening costs consist primarily of marketing, master planning, conceptual design fees and legal and professional fees that are not eligible for capitalization incurred in connection with the Tiverton Casino Hotel and the new hotel at Twin River Casino Hotel. Expansion and pre-opening costs for the years ended December 31, 2018 and 2017 were \$2.7 million and \$0.2 million, respectively. There were no expansion and pre-opening expenses for the year ended December 31, 2019.

Gain on Insurance Recoveries

Gain on insurance recoveries relates to insurance recovery proceeds received for a damaged roof at the Company's Arapahoe Park racetrack in Aurora, Colorado during the year ended December 31, 2019 for \$1.2 million.

Interest Expense

Interest expense is comprised of interest costs for the Company's debt, amortization of deferred financing fees and original issue discount, net of amounts capitalized for construction projects. Interest expense recorded in the consolidated statements of operations totaled \$39.8 million, \$23.0 million and \$22.8 million for the years ended December 31, 2019, 2018 and 2017, respectively.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Income Taxes

The Company prepares its income tax provision in accordance with ASC 740, *Income Taxes*. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the rate change is enacted. A valuation allowance is required when it is “more likely than not” that all or a portion of the deferred taxes will not be realized. The consolidated financial statements reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities’ full knowledge of the position and all relevant facts.

Comprehensive (Income) Loss

Comprehensive (income) loss includes changes in equity that result from transactions and economic events from non-owner sources. Comprehensive (income) loss consists of net income and changes in defined benefit pension plan, net of tax.

Earnings Per Share

Basic earnings per common share (EPS) is calculated by dividing net income applicable to common shareholders by the weighted average number of common shares outstanding and RSUs, RSAs, and PSUs for which no future service is required as a condition to the delivery of the underlying common stock (collectively, basic shares). Diluted EPS includes the determinants of basic EPS and, in addition, reflects the dilutive effect of the common stock deliverable for stock options, using the treasury stock method, and for RSUs, RSAs and PSUs for which future service is required as a condition to the delivery of the underlying common stock. The table below presents the computations of basic and diluted EPS:

	Years Ended December 31,		
	2019	2018	2017
Net income applicable to common stockholders	\$ 55,130	\$ 72,078	\$ 59,903
Weighted average shares outstanding, basic	37,705,179	36,938,943	36,478,759
Weighted average effect of dilutive securities	114,438	1,612,765	1,964,185
Weighted average shares outstanding, diluted	37,819,617	38,551,708	38,442,944
Per share data			
Basic	\$ 1.46	\$ 1.95	\$ 1.64
Diluted	\$ 1.46	\$ 1.87	\$ 1.56

For the year ended December 31, 2019, 3,251 shares were not included in the computation of diluted earnings per share because to do so would have been anti-dilutive. There were no share-based awards that were considered anti-dilutive in the year ended December 31, 2018.

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Treasury Stock

The Company records the repurchase of shares of common stock at cost based on the settlement date of the transaction. These shares are classified as treasury stock, which is a reduction to stockholders' equity. Treasury stock is included in authorized and issued shares but excluded from outstanding shares. The Company repurchased 9,079,690, 338,648, and 93,332 shares of its common stock at an aggregate annual cost of \$223.1 million, \$8.0 million and \$2.3 million in the years ended December 31, 2019, 2018 and 2017, respectively. The Company retired 1,431,980 shares of its common stock held in treasury during the year ended December 31, 2019. The shares were returned to the status of authorized but unissued.

Business Combinations

The Company accounts for its acquisitions in accordance with ASC 805, *Business Combinations*. The results of operations of acquisitions are included in the consolidated financial statements from their respective dates of acquisition. Costs incurred to complete the business combination such as investment banking, legal and other professional fees are not considered part of consideration and are charged to acquisition, integration and restructuring expense as they are incurred. See Note 5 "Acquisitions" and Note 9 "Acquisition, Integration and Restructuring Expense".

Segments

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. Certain operating segments are aggregated into reportable segments. See Note 17 "Segment Reporting".

Statement of Cash Flows

The Company has presented the consolidated statements of cash flows using the indirect method, which involves the reconciliation of net income to net cash flow from operating activities.

Fair Value Measurements

Fair value is determined using the principles of ASC 820, *Fair Value Measurement*. Fair value is described as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes and defines the inputs to valuation techniques as follows:

- Level 1: Observable quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs are observable for the asset or liability either directly or through corroboration with observable market data.
- Level 3: Unobservable inputs.

The Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities are carried at cost, which approximates fair value due to the short-term nature of these instruments. The carrying value of the Company's term loans and revolving credit facilities, including the current portion, approximate fair value as the terms and conditions of these loans are consistent with comparable market debt issuances. These measurements fall with Level 3 of the fair value hierarchy.

The inputs used to measure the fair value of an asset or a liability are categorized within levels of the fair value hierarchy. The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the measurement. There were no transfers made among the three levels in the fair value hierarchy for the years ended December 31, 2019 and 2018.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
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3. RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS

Recently Issued Accounting Pronouncements

Standards implemented

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU 2014-09, *Revenue from Contracts with Customers* (“Topic 606”), amending revenue recognition guidance and requiring more detailed disclosures to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The core principle of Topic 606 is that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additional ASUs have been issued that are part of the overall new revenue guidance including: (i) ASU 2016-08, “*Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*,” (ii) ASU 2016-10, “*Identifying Performance Obligations and Licensing*,” (iii) ASU 2016-20, “*Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*” and (iv) ASU 2016-12, “*Narrow Scope Improvements and Practical Expedients*,” which clarified guidance on certain items such as reporting revenue as a principal or agent, identifying performance obligations, accounting for fixed odds wagering contracts associated with the Company’s racing operations, accounting for intellectual property licenses and accessing collectability and presentation of sales tax. The Company adopted Topic 606 on January 1, 2018 using the full retrospective method.

Topic 606 changed the presentation of total revenue and operating expenses. Prior to the adoption of Topic 606, the retail value of complimentary hotel rooms, food, beverages and other services provided to the Company’s customers was included in gross revenue, with an offsetting reduction for promotional allowances to derive total revenues. The estimated direct cost of providing these items was charged to the casino through interdepartmental allocations and included in gaming expenses. Under the new guidance, revenues are allocated among our revenue classifications based on the relative standalone selling prices of the goods and services provided to the customer after factoring in the likelihood of redemption of incentives. The accounting for the Company’s loyalty programs was also impacted, with changes to the timing and/or classification of certain transactions between total revenue and operating expenses. See Note 4 “Revenue Recognition”.

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)* in order to increase transparency and comparability among organizations by, among other provisions, recognizing lease assets and lease liabilities on the balance sheet for those leases classified as operating leases under previous United States Generally Accepted Accounting Principles (“US GAAP”). For public companies, ASU 2016-02 was effective for fiscal years beginning after December 15, 2018 (including interim periods within those periods, which for the Company was the first quarter of 2019) using a modified retrospective approach and early adoption is permitted. In transition, entities may also elect a package of practical expedients that must be applied in its entirety to all leases commencing before the adoption date, unless the lease is modified, and permits entities to not reassess (a) the existence of a lease, (b) lease classification or (c) determination of initial direct costs, as of the adoption date, which effectively allows entities to carry-forward accounting conclusions under previous US GAAP. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides entities an optional transition method to apply the guidance under ASC 842 as of the adoption date, rather than as of the earliest period presented. The Company adopted ASC 842 on January 1, 2019, using the optional transition method to apply the new guidance as of January 1, 2019, rather than as of the earliest period presented, and elected the entire package of practical expedients described above. Based on the analysis, on January 1, 2019, the Company recorded right of use assets and a corresponding lease liability of approximately \$18.8 million. There was no impact to opening retained earnings.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows—Restricted Cash*. The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Company adopted this standard effective January 1, 2018 by retrospective restatement of all prior period consolidated statements of cash flows.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350)—Simplifying the Test for Goodwill Impairment*. This standard simplifies the quantitative goodwill impairment test by eliminating the second step of the test. Under this standard, impairment will be measured by comparing the estimated fair value of the reporting unit with its carrying value. The Company early adopted this standard in conjunction with its 2017 goodwill impairment test. Adoption of this standard did not have a material impact on the results of the Company’s goodwill impairment test.

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In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, which changes the recognition and presentation requirements of hedge accounting, including eliminating the requirement to separately measure and report hedge ineffectiveness and presenting all items that affect earnings in the same income statement line item as the hedged item. The ASU also provides new alternatives for applying hedge accounting to additional hedging strategies, measuring the hedged item in fair value hedges of interest rate risk, reducing the cost and complexity of applying hedge accounting by easing the requirements for effectiveness testing, hedge documentation and application of the critical terms match method and reducing the risk of a material error correction if a company applies the shortcut method inappropriately. This ASU is effective for public companies in fiscal years beginning after December 15, 2018, which for the Company was the first quarter of 2019. The Company adopted this ASU in the first quarter of 2019, with no impact to its consolidated financial statements.

Standards to be implemented

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)—Measurement of Credit Losses on Financial Instruments* (“ASC 326”). This standard amends several aspects of the measurement of credit losses on financial instruments, including trade receivables. The standard replaces the existing incurred credit loss model with the Current Expected Credit Losses (“CECL”) model and amends certain aspects of accounting for purchased financial assets with deterioration in credit quality since origination. Under CECL, the allowance for losses for financial assets that are measured at amortized cost reflects management’s estimate of credit losses over the remaining expected life of the financial assets, based on historical experience, current conditions and forecasts that affect the collectability of the reported amount. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, to clarify that receivables arising from operating leases are not within the scope of ASC 326 and should instead, be accounted for in accordance with ASC 842, *Leases*. The standard is effective for annual and interim periods beginning after December 15, 2019, with early adoption permitted for annual and interim periods beginning after December 15, 2018. Adoption is through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (a modified-retrospective approach). The Company anticipates adopting this standard in the first quarter of 2020 and it is not expected to have a material impact on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General*. This amendment improves disclosures over defined benefit plans and is effective for interim and annual periods ending after December 15, 2020, with early adoption allowed. The Company anticipates adopting this amendment during the first quarter of 2021 and does not expect it to have a significant impact on the consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820),—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which makes a number of changes meant to add, modify or remove certain disclosure requirements associated with the movement amongst or hierarchy associated with Level 1, Level 2 and Level 3 fair value measurements. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted upon issuance of the update. The Company anticipates adopting this amendment in the first quarter of 2020, and does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes*. This amendment serves to simplify the accounting for income taxes by removing certain exceptions to the general principles in ASC Topic 740, *Income Taxes*. The amendment also improves the consistent application of ASC Topic 740 by clarifying and amending existing guidance. This amendment is effective for fiscal years, and interim periods within those years, beginning after December 15, 2020, with early adoption permitted for periods for which financial statements have not yet been issued. The Company is currently in the process of evaluating the impact of the future adoption of this amendment on its consolidated financial statements.

4. REVENUE RECOGNITION

The Company accounts for revenue earned from contracts with customers under ASU No. 2014-09, *Revenue from Contracts with Customers* (“ASC 606”). The Company generates revenue from five principal sources: gaming services, hotel, racing, food and beverage and other.

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Gaming revenue includes Twin River Casino Hotel's, Tiverton Casino Hotel's (upon its opening on September 1, 2018) and Newport Grand's (until its closing on August 28, 2018) share of VLT revenue as determined by their respective master VLT contracts with the State of Rhode Island. Twin River Casino Hotel is entitled to a 28.85% share of VLT revenue on the initial 3,002 units and a 26.00% share on VLT revenue generated from units in excess of 3,002. Tiverton Casino Hotel is and Newport Grand was entitled to receive a percentage of VLT revenue that is equivalent to the percentage received by Twin River Casino Hotel. Gaming revenue also includes Twin River Casino Hotel's and Tiverton Casino Hotel's share of table games revenue whereby Twin River Casino Hotel and Tiverton Casino Hotel are entitled to an 83.5% share of table games revenue generated as of December 31, 2019. Revenue is recognized when the wager is complete, which is when the customer has received the benefits of the Company's gaming services and the Company has a present right to payment. The Company records revenue from its Rhode Island operations on a net basis which is the percentage share of VLT revenue received as the Company acts as an agent in operating the gaming services on behalf of the State of Rhode Island.

Gaming revenue also includes Dover Downs' share of revenue as determined under the Delaware State Lottery Code from the date of its acquisition. Dover Downs is authorized to conduct video lottery, sports wagering, table game and internet gaming operations as one of three "Licensed Agents" under the Delaware State Lottery Code. Licensing, administration and control of gaming operations in Delaware is under the Delaware State Lottery Office and Delaware's Department of Safety and Homeland Security, Division of Gaming Enforcement. As of December 31, 2019, Dover Downs was entitled to an approximate 42% share of VLT revenue and 80% share of table games revenue. Revenue is recognized when the wager is complete, which is when the customer has received the benefits of the Company's gaming services and the Company has a present right to payment. The Company records revenue from its Delaware operations on a net basis, which is the percentage share of the VLT and table games revenue received, as the Company acts as an agent in operating the gaming services on behalf of the State of Delaware.

Gaming revenue also includes the casino revenue of Hard Rock Biloxi, which is the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs, for chips outstanding and "ticket-in, ticket-out" coupons in the customers' possession, and for accruals related to the anticipated payout of progressive jackpots. Progressive slot machines, which contain base jackpots that increase at a progressive rate based on the number of credits played, are charged to revenue as the amount of the progressive jackpots increase.

Gaming services contracts have two performance obligations for those customers earning incentives under the Company's player loyalty programs and a single performance obligation for customers who do not participate in the programs. The Company applies a practical expedient by accounting for its gaming contracts on a portfolio basis as such wagers have similar characteristics and the Company reasonably expects the effects on the condensed consolidated financial statements of applying the revenue recognition guidance to the portfolio to not differ materially from that which would result if applying the guidance to an individual wagering contract. For purposes of allocating the transaction price in a wagering contract between the wagering performance obligation and the obligation associated with incentives earned under loyalty programs, the Company allocates an amount to the loyalty program contract liability based on the stand-alone selling price of the incentive earned for a hotel room stay, food and beverage or other amenity. The performance obligations for the incentives earned under the loyalty programs are deferred and recognized as revenue when the customer redeems the incentive. When redeemed, revenue is recognized in the department that provides the goods or service. After allocating revenue to other goods and services provided as part of casino wager contracts, the Company records the residual amount to gaming revenue as the stand-alone price for wagers is highly variable and no set established price exists for such wagers. The allocated revenue for gaming wagers is recognized when the wagers occur as all such wagers settle immediately.

The estimated retail value related to goods and services provided to guests without charge or upon redemption under the Company's player loyalty programs included in departmental revenues, and therefore reducing gaming revenues, are as follows for the years ended December 31, 2019, 2018 and 2017:

<i>(in thousands)</i>	Years Ended December 31,		
	2019	2018	2017
Hotel	\$ 19,939	\$ 11,697	\$ 11,347
Food and beverage	31,569	23,051	23,674
Other	7,594	5,772	5,927
	<u>\$ 59,102</u>	<u>\$ 40,520</u>	<u>\$ 40,948</u>

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Racing revenue includes Twin River Casino Hotel's, Tiverton Casino Hotel's (upon its opening on September 1, 2018), Newport Grand's (until its closing on August 28, 2018), Mile High USA's and Dover Downs' share of wagering from live racing and the import of simulcast signals. Racing revenue is recognized when the wager is complete based on an established take-out percentage. The Company functions as an agent to the pari-mutuel pool. Therefore, fees and obligations related to the Company's share of purse funding, simulcasting fees, tote fees, pari-mutuel taxes, and other fees directly related to the Company's racing operations are reported on a net basis and included as a deduction to racing revenue.

Hotel revenue is recognized at the time of occupancy, which is when the customer obtains control through occupancy of the room. Advance deposits for hotel rooms are recorded as liabilities until revenue recognition criteria are met.

Food and beverage revenue are recognized at the time the goods are sold from Company-operated outlets.

All other revenues are recognized at the time the goods are sold or the service is provided.

Sales tax and other taxes collected on behalf of governmental authorities are accounted for on a net basis and are not included in revenue or operating expenses.

The following table provides a disaggregation of total revenue by segment (in thousands):

Years Ended December 31,	Rhode Island	Delaware	Biloxi	Other	Total
2019					
Gaming	\$ 239,836	\$ 43,865	\$ 84,247	\$ —	\$ 367,948
Racing	3,536	931	—	8,647	13,114
Hotel	6,675	12,228	20,085	—	38,988
Food and beverage	33,124	19,799	16,886	95	69,904
Other	23,135	3,983	6,214	291	33,623
Total revenue	<u>\$ 306,306</u>	<u>\$ 80,806</u>	<u>\$ 127,432</u>	<u>\$ 9,033</u>	<u>\$ 523,577</u>
2018					
Gaming	\$ 246,126	n/a	\$ 81,614	\$ —	\$ 327,740
Racing	3,796	n/a	—	9,362	13,158
Hotel	1,361	n/a	19,978	—	21,339
Food and beverage	29,922	n/a	18,342	116	48,380
Other	21,447	n/a	5,203	270	26,920
Total revenue	<u>\$ 302,652</u>	<u>n/a</u>	<u>\$ 125,137</u>	<u>\$ 9,748</u>	<u>\$ 437,537</u>
2017					
Gaming	\$ 235,224	n/a	\$ 79,570	\$ —	\$ 314,794
Racing	3,902	n/a	—	10,132	14,034
Hotel	—	n/a	19,431	—	19,431
Food and beverage	28,447	n/a	18,440	117	47,004
Other	20,286	n/a	5,253	251	25,790
Total revenue	<u>\$ 287,859</u>	<u>n/a</u>	<u>\$ 122,694</u>	<u>\$ 10,500</u>	<u>\$ 421,053</u>

Revenue included in operations from Dover Downs from the date of its acquisition, March 28, 2019, through December 31, 2019 is reported in the "Delaware" segment. Refer to Note 5 "Acquisitions" for further information.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
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The Company's receivables related to contracts with customers are primarily comprised of marker balances and other amounts due from gaming activities, amounts due for hotel stays, and amounts due from tracks and off track betting ("OTB") locations. The Company's receivables related to contracts with customers were \$16.0 million and \$13.3 million as of December 31, 2019 and December 31, 2018, respectively. The Company has the following liabilities related to contracts with customers: liabilities for loyalty programs, deposits made in advance for goods and services yet to be provided, and unpaid wagers. All of the contract liabilities are short term in nature. Loyalty program incentives earned by customers are typically redeemed within one year from when they are earned and expire if a customer's account is inactive for more than twelve months; therefore, the majority of these incentives outstanding at the end of a period will either be redeemed or expire within the next twelve months. The Company's contract liabilities related to loyalty programs were \$12.4 million, and \$9.5 million as of December 31, 2019 and December 31, 2018, respectively, and are included as accrued liabilities in the condensed consolidated balance sheets. The Company recognized \$10.0 million, \$8.2 million and \$8.0 million of revenue related to loyalty program redemptions for the years ended December 31, 2019, 2018 and 2017, respectively.

Advance deposits are typically for future banquet events and to reserve hotel rooms. These deposits are usually received weeks or months in advance of the event or hotel stay. The Company's contract liabilities related to deposits from customers were \$1.4 million and \$0.6 million as of December 31, 2019 and 2018, respectively, and are included as accrued liabilities in the consolidated balance sheets.

Unpaid wagers include unpaid pari-mutuel tickets and unpaid sports bet tickets. Unpaid pari-mutuel tickets not claimed within twelve months by the customer who earned them are escheated to the state. The Company's contract liabilities related to unpaid tickets were \$1.1 million and \$0.9 million as of December 31, 2019 and 2018, respectively, and are included as accrued liabilities in the consolidated balance sheets.

ASC 606 requires complimentary items to be considered a separate performance obligation, which requires the Company to allocate a portion of revenue from a gaming transaction to other operating revenue based on the estimated standalone selling prices of the promotional items provided. For example, when a casino customer is given a complimentary room, the Company is required to allocate a portion of the casino revenue earned from the customer to hotel revenue based on the estimated standalone selling price of the hotel room. The estimated standalone selling price of hotel rooms is determined based on observable prices. The standalone selling price of food and beverage, and other miscellaneous goods and services is determined based upon the actual retail prices charged customers for those items. Revenue is recognized in the period the goods or services are provided.

5. ACQUISITIONS

Dover Downs Gaming & Entertainment, Inc.

On July 22, 2018, the Company entered into a merger agreement with Dover Downs pursuant to which, among other things, on March 28, 2019, a subsidiary of the Company merged with and into Dover Downs with Dover Downs becoming an indirect wholly-owned subsidiary of the Company. The merger resulted in Dover Downs' shareholders exchanging their Dover Downs stock for Company common shares representing 7.225% of the outstanding shares of common stock in the combined company at closing. A total of 2,976,825 shares of common stock were issued at the transaction closing on March 28, 2019 and the valuation of those shares was based on the closing price of Dover Downs' common stock on March 27, 2019.

(in thousands, except share and per share data)

	March 28, 2019
Dover Downs shares outstanding	33,125,997
Closing Dover Downs share price on March 27, 2019	\$ 2.62
Total fair value of Dover Downs stock purchased *	\$ 86,790
Cash paid by the Company at closing, including amounts to retire Dover Downs debt, inclusive of accrued interest	\$ 29,096
Consideration transferred	\$ 115,886

*Shares issued at approximately \$29.15 per share when considering the fair value of stock purchased and number of Company shares issued in conjunction with the acquisition.

The total consideration paid by the Company in connection with the Dover Downs merger was approximately \$115.9 million, or \$96.4 million, net of cash acquired of \$19.5 million. This purchase price excludes transaction costs. During the year ended December 31, 2019, the Company incurred \$7.9 million of transaction costs related to the merger and becoming a publicly traded company, compared to \$6.6 million during the year ended December 31, 2018. These costs are included in "Acquisition, integration and restructuring expense" in the consolidated statements of operations.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
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The identifiable intangible assets recorded in connection with the closing of the merger based on final valuations include trademarks of \$3.9 million, rated player relationships of \$0.8 million and hotel and conference pre-bookings of \$0.4 million, which are being amortized on a straight-line basis over estimated useful lives of approximately ten years, eight years, and three years, respectively. The fair value of the identifiable intangible assets acquired was determined by using an income approach. Significant assumptions utilized in the income approach were based on company-specific information and projections, which are not observable in the market and are thus considered Level 3 measurements as defined by authoritative guidance.

The Company accounted for the acquisition as a business combination using the acquisition method with Twin River as the accounting acquirer in accordance with FASB Codification Topic 805, *Business Combinations* (“ASC 805”). Under this method of accounting the purchase price has been allocated to Dover Downs’ assets acquired and liabilities assumed based upon their estimated fair values at the acquisition date.

The following table summarizes the consideration paid and the fair values of the assets acquired and liabilities assumed based on preliminary and final valuations. The Company has recorded adjustments to the opening balance sheet, as reflected in the table below, as a result of final valuation procedures performed on balance sheet amounts.

<i>(in thousands)</i>	As of March 28, 2019		
	Preliminary as of March 31, 2019	Year to Date Adjustments	Final as of December 31, 2019
Cash	\$ 19,500	\$ —	\$ 19,500
Accounts receivable	5,674	—	5,674
Due from State of Delaware	2,535	—	2,535
Inventory	1,891	(498)	1,393
Prepaid expenses and other assets	2,586	(107)	2,479
Property and equipment	103,657	(5,378)	98,279
Right of use asset	1,333	—	1,333
Intangible assets	5,110	—	5,110
Deferred income tax assets	6,655	5,224	11,879
Other assets	320	—	320
Goodwill	—	1,047	1,047
Accounts payable	(7,470)	97	(7,373)
Purses due to horseman	(2,613)	—	(2,613)
Accrued and other current liabilities	(13,014)	(499)	(13,513)
Lease obligations	(1,333)	—	(1,333)
Pension benefit obligations	(6,613)	—	(6,613)
Other long-term liabilities	(2,332)	114	(2,218)
Total purchase price	<u>\$ 115,886</u>	<u>\$ —</u>	<u>\$ 115,886</u>

Dover Downs’ revenue and net income for the year ended December 31, 2019 was \$80.8 million and \$6.0 million, respectively.

The following table represents unaudited supplemental pro forma consolidated revenue and net income based on Dover Downs’ historical reporting periods as if the acquisition had occurred as of January 1, 2018:

<i>(in thousands, except per share data)</i>	Year Ended	
	December 31, 2019	December 31, 2018
Revenue	\$ 546,634	\$ 534,140
Net income	\$ 61,945	\$ 62,792
Net income applicable to common stockholders	\$ 61,945	\$ 63,432
Net income per share, basic	\$ 1.64	\$ 1.59
Net income per share, diluted	\$ 1.64	\$ 1.53

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Black Hawk Casinos

On January 29, 2019, the Company entered into an agreement to acquire a subsidiary of Affinity that owns the three casino properties that comprise the Black Hawk Casinos: Golden Gates, Golden Gulch and Mardi Gras. The acquisition was completed on January 23, 2020.

The preliminary purchase price paid including initial net working capital estimates, net of cash acquired was approximately \$53.0 million, excluding transaction costs. The Company incurred \$1.7 million and \$0.2 million of transaction costs during the years ended December 31, 2019 and 2018, respectively, which is included in "Acquisition, integration and restructuring expense" in the consolidated statements of operations.

The Company will account for the Black Hawk Casinos acquisition as a business combination under the acquisition method of accounting. As such, the purchase price will be allocated to the net assets acquired, inclusive of intangible assets, with any excess fair value recorded to goodwill. Since the closing date of the acquisition occurred subsequent to the end of the reporting period, the allocation of purchase price to the underlying net assets has not yet been completed. The Company will reflect the preliminary purchase price allocation in its consolidated financial statements during the year ending December 31, 2020. A preliminary allocation resulted in the identification of goodwill of approximately \$4.4 million and intangible assets of approximately \$6.0 million.

Isle Kansas City and Lady Luck Vicksburg

On July 10, 2019, the Company entered into a definitive agreement to acquire the operations and real estate of Isle Kansas City and Lady Luck Vicksburg from Eldorado Resorts, Inc. in a cash transaction for \$230 million, subject to certain customary post-closing adjustments. The transaction is subject to the satisfaction of certain customary closing conditions, including approval by the gaming regulators in Mississippi (which was received in October 2019) and Missouri, and is expected to close in the second quarter of 2020.

For the year ended December 31, 2019, the Company recorded acquisition costs related to the acquisition of Isle Kansas City and Lady Luck Vicksburg of \$1.3 million. These costs are included in "Acquisition, integration and restructuring expense" in the consolidated statements of operations.

6. SALE OF NEWPORT GRAND

On January 17, 2018, Newport Grand entered into a Purchase and Sale Agreement (the "Sale Agreement") with a third party (the "Buyer"), pursuant to which the Buyer acquired the land and building relating to the Newport Grand Casino for \$10.2 million in a transaction that closed on May 1, 2018. The Company leased back the Newport Grand Casino from May 1, 2018 until November 1, 2018 at which time it vacated the property. This lease is accounted for as an operating lease. On August 28, 2018, Newport Grand was closed, and Tiverton Casino Hotel was opened on September 1, 2018.

As of January 17, 2018, Newport Grand met the accounting guidance for assets held for sale, thus the Company recorded impairment losses of \$4.2 million for the difference between the fair value and the carrying value of the land, building and building improvements included in the Sale Agreement. The Company also recorded an expense of \$2.4 million, in accordance with ASC 450, *Contingencies*, as the amount due for certain brokerage fees associated with the sale of Newport Grand became probable and reasonably estimable on this date. The move from Newport Grand to Tiverton Casino Hotel occurred on September 1, 2018.

The following sets forth the calculation of the Newport Grand disposal loss for the year ended December 31, 2018:

Sale price	\$ 10,150
Land, building and improvement costs sold or written off	(12,993)
Transaction costs	(669)
Impairment loss	(3,512)
Participation fees	(2,373)
Land, building and improvement disposal loss	(5,885)
Equipment written-off upon facility closure	(629)
Newport Grand disposal loss	\$ (6,514)

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The sale of the Newport Grand assets did not qualify as a discontinued operation as the sale was not a strategic shift that had a major effect on the Company's operations and financial results.

7. GOODWILL AND INTANGIBLE ASSETS

The change in carrying value of goodwill by reportable segment for the year ended December 31, 2019 is as follows:

	Rhode Island	Delaware	Biloxi	Total
Goodwill as of December 31, 2018	\$ 83,101	\$ —	\$ 48,934	\$ 132,035
Goodwill from current year business combinations	—	1,047	—	1,047
Goodwill as of December 31, 2019	<u>\$ 83,101</u>	<u>\$ 1,047</u>	<u>\$ 48,934</u>	<u>\$ 133,082</u>

There was no change in the carrying value of goodwill during the year ended December 31, 2018.

As of December 31, 2019, identifiable intangible assets for the Company were comprised of the following:

<i>(in thousands, except years)</i>	Weighted average remaining life (in years)	Gross amount	Accumulated amortization	Net Amount
Amortizable intangible assets:				
Rhode Island contract for VLT's	0.6	\$ 29,300	\$ (27,629)	\$ 1,671
Trade names	7.0	19,500	(14,576)	4,924
Hard Rock license	27.5	8,000	(1,333)	6,667
Rated player relationships	5.1	7,765	(4,660)	3,105
Other	3.2	1,220	(534)	686
Total amortizable intangible assets		<u>65,785</u>	<u>(48,732)</u>	<u>17,053</u>
Intangible assets not subject to amortization:				
Rhode Island VLT license	Indefinite	92,108	—	92,108
Novelty game licenses	Indefinite	1,212	—	1,212
Total unamortizable intangible assets		<u>93,320</u>	<u>—</u>	<u>93,320</u>
Total intangible assets, net		<u>\$ 159,105</u>	<u>\$ (48,732)</u>	<u>\$ 110,373</u>

TWIN RIVER WORLDWIDE HOLDINGS, INC.
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At December 31, 2018, identifiable intangible assets for the Company were comprised of the following:

<i>(in thousands, except years)</i>	Weighted average remaining life (in years)	Gross amount	Accumulated amortization	Net Amount
Amortizable intangible assets:				
Rhode Island contract for VLT's	1.6	\$ 29,300	\$ (24,611)	\$ 4,689
Trade names	1.8	15,600	(12,724)	2,876
Hard Rock license	28.5	8,000	(1,091)	6,909
Rated player relationships	5.4	6,945	(4,014)	2,931
Other	4.2	680	(359)	321
Total amortizable intangible assets		60,525	(42,799)	17,726
Intangible assets not subject to amortization:				
Rhode Island VLT license	Indefinite	92,108	—	92,108
Novelty game licenses	Indefinite	270	—	270
Total unamortizable intangible assets		92,378	—	92,378
Total intangible assets, net		\$ 152,903	\$ (42,799)	\$ 110,104

Amortization of intangible assets was approximately \$5.9 million, \$5.5 million and \$5.6 million for the years ended December 31, 2019, 2018 and 2017, respectively.

The following table shows the remaining amortization expense associated with finite lived intangible assets as of December 31, 2019:

<i>(in thousands)</i>	
2020	\$ 4,514
2021	1,542
2022	1,430
2023	1,359
2024	776
Thereafter	7,432
	\$ 17,053

8. ACCRUED LIABILITIES

As of December 31, 2019 and 2018, accrued liabilities consisted of the following:

<i>(in thousands)</i>	December 31,	
	2019	2018
Gaming liabilities	\$ 23,908	\$ 18,740
Compensation	13,849	16,622
Legal	833	3,784
Construction accruals	—	3,677
Property taxes	2,920	2,582
Purses due to horsemen	7,868	—
Interest payable	2,291	238
Other	19,180	12,135
Total accrued liabilities	\$ 70,849	\$ 57,778

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9. ACQUISITION, INTEGRATION AND RESTRUCTURING EXPENSE

The following table reflects acquisition, integration and restructuring expense the Company recorded during the years ended December 31, 2019 and 2018:

<i>(in thousands)</i>	Years Ended December 31,	
	2019	2018
Acquisition and integration costs:		
Dover Downs merger and going public expenses	\$ 7,883	\$ 6,636
Black Hawk Casinos	1,724	208
Isle Kansas City and Lady Luck Vicksburg	1,293	—
Total	10,900	6,844
Restructuring expense	1,268	—
Total acquisition, integration and restructuring expense	\$ 12,168	\$ 6,844

The Company did not record acquisition, integration and restructuring expense during the year ended December 31, 2017.

Restructuring Expense

During the year ended December 31, 2019, the Company incurred restructuring expenses of \$0.8 million related to severance costs incurred attributable to the acquisition of Dover Downs in the first quarter of 2019, as well as \$0.4 million related to severance costs incurred at the Company's Twin River Casino Hotel property. The following table summarizes the restructuring liability accrual activity during the year ended December 31, 2019 related to the Rhode Island and Delaware reportable segments.

<i>(in thousands)</i>	Severance		
	Rhode Island	Delaware	Total
Restructuring liability as of December 31, 2018	\$ —	\$ —	\$ —
Additions	425	843	1,268
Payments	(425)	(820)	(1,245)
Restructuring liability as of December 31, 2019	\$ —	\$ 23	\$ 23

10. LONG-TERM DEBT

As of December 31, 2019 and 2018, long term debt consisted of the following:

<i>(in thousands)</i>	December 31,	
	2019	2018
Term Loan principal	\$ 298,500	\$ 342,439
Revolving credit facility	—	55,000
6.75% Senior Notes due 2027	400,000	—
Less: Unamortized original issue discount	(2,014)	(1,027)
Less: Unamortized deferred financing fees	(12,885)	(2,239)
Long-term debt, including current portion	683,601	394,173
Less: Current portion of Term Loan and Revolving Credit Facility	(3,000)	(3,595)
Long-term debt, net of discount and deferred financing fees; excluding current portion	\$ 680,601	\$ 390,578

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Senior Secured Credit Facility and 6.75% Senior Notes due 2027

On May 10, 2019, the Company entered into a credit agreement (“the “Credit Agreement”) with Citizens Bank, N.A., as administrative agent, (the “Agent”), and the lenders party thereto (the “Credit Facility”), consisting of a \$300.0 million Term B Loan facility (the “Term Loan Facility”) and a \$250.0 million revolving credit facility (the “Revolving Credit Facility”). The Company’s obligations under the Revolving Credit Facility will mature on May 10, 2024. The Company’s obligations under the Term Loan Facility will mature on May 10, 2026. Beginning September 30, 2019, the Company is required to make quarterly principal payments of \$750,000 on the Term Loan Facility on the last business day of each fiscal quarter. In addition, the Company is required to make mandatory payments of amounts outstanding under the Credit Facility with the proceeds of certain casualty events, debt issuances, and asset sales and, commencing with the fiscal year beginning January 1, 2020, the Company is required to apply a portion of its excess cash flow to repay amounts outstanding under the Credit Facility.

Borrowings under the Credit Facility bear interest at a rate equal to, at the Company’s option, either (1) LIBOR determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing, adjusted for certain additional costs and subject to a floor of 0.00% or (2) a base rate determined by reference to the greatest of the federal funds rate plus 0.50%, the prime rate as determined by the Agent, the one-month LIBOR rate plus 1.00%, and subject to a floor of 1.00%, in each case plus an applicable margin. In the event that the LIBOR rate is no longer available or no longer used to determine the interest rate of loans, the Company and the Agent will amend the Credit Agreement to replace LIBOR with an alternate benchmark rate that has been broadly accepted by the syndicated loan market in the United States in lieu of LIBOR and until such amendment has become effective, loans will be based on the base rate. In addition, on a quarterly basis, the Company is required to pay each lender under the Revolving Credit Facility a 0.50% commitment fee, in respect of commitments under the Revolving Credit Facility, which may be subject to one or more step-downs based on the Company’s total net leverage ratio. As of December 31, 2019, the interest rate for the Credit Facility was 4.55%. There were no borrowings on the Revolving Credit Facility as of December 31, 2019.

The Credit Facility allows the Company to (1) establish additional Term B Loans and/or establish one or more new tranches of term loans and/or (2) increase commitments under the Revolving Credit Facility and/or add one or more new tranches of revolving facilities, in an aggregate amount not to exceed the greater of (x) \$195 million and (y) 100% of consolidated EBITDA for the most recent four-quarter period plus or minus certain amounts as specified in the Credit Agreement, including an unlimited amount subject to compliance with a consolidated total secured net leverage ratio as set out in the Credit Agreement.

The Company’s obligations under the Credit Facility are guaranteed by each of the Company’s existing and future wholly owned domestic restricted subsidiaries, subject to certain exceptions, and are secured by a first priority lien on substantially all of the Company’s and each of the guarantors’ existing and future property and assets, subject to certain exceptions.

On May 10, 2019, the Company, issued \$400 million aggregate principal amount of 6.75% unsecured senior notes due June 1, 2027 (the “Senior Notes”). Interest on the Senior Notes will be paid semi-annually in arrears on June 1 and December 1. The Company used a portion of the net proceeds from the Senior Notes, together with a portion of the proceeds from our Term Loan Facility, to repay borrowings under the Company’s prior credit agreement (the “Former Credit Facility”). The balance of such net proceeds is currently held in cash form.

The Credit Facility and the indenture governing the Senior Notes (the “Indenture”) each contain covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, incur additional indebtedness, pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments, enter into certain transactions with affiliates, sell or otherwise dispose of assets, create or incur liens, and merge, consolidate or sell all or substantially all of the Company’s assets, in each case, subject to certain exceptions and qualifications. In addition, if more than 30% of the capacity of the Revolving Credit Facility is utilized, the Company must comply with a maximum total net leverage ratio, which is currently set at 5.50:1.00. These covenants are subject to exceptions and qualifications set forth in the Credit Facility and the Indenture. The Company was in compliance with all such covenants as of December 31, 2019.

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The Company may redeem some or all of the Senior Notes at any time prior to June 1, 2022 at a redemption price equal to 100% of the aggregate principal amount of the Senior Notes to be redeemed plus a “make-whole” premium and accrued and unpaid interest. In addition, prior to June 1, 2022, the Company may redeem up to 40% of the original principal amount of the Senior Notes with proceeds of certain equity offerings at a redemption price equal to 106.750% of the aggregate principal amount of such Senior Notes plus accrued and unpaid interest. On or after June 1, 2022, the Company may redeem some or all of the Senior Notes at the redemption prices set forth in the Indenture plus accrued and unpaid interest. The Senior Notes are subject to disposition and redemption requirements imposed by gaming laws and regulations of applicable gaming regulatory authorities.

The Senior Notes are guaranteed, jointly and severally, by each of the Company’s restricted subsidiaries that guarantee the Company’s obligations under the Credit Facility.

Former Credit Agreements

The Credit Facility replaced the Former Credit Facility, which was entered into on July 10, 2014, and included a term loan (“Former Term Loan”) in the principal amount of \$480 million and an original issue discount of 1%, payable in quarterly installments of \$1.2 million with the balance payable upon maturity on July 10, 2020 and a revolving credit facility (“Former Revolving Credit Facility”) with an original capacity of \$40 million and a capacity on March 31, 2019 of \$150 million as a result of several amendments, the last of which occurred on March 26, 2019 and increased the capacity from \$100 million to \$150 million to, among other things, help retire debt of Dover Downs at the closing of the acquisition on March 28, 2019.

The interest rate for the Former Term Loan and the Former Revolving Credit Facility was based on LIBOR, with a LIBOR floor of 1.00% on the Former Term Loan, plus a 3.50% interest rate margin per annum in the case of both the Former Term Loan and Former Revolving Credit Facility. Both the Former Term Loan and the Former Revolving Credit Facility were pre-payable at any time, provided notice was given. The interest rate for the Former Term Loan was 6.30% as of December 31, 2018.

As of December 31, 2018, the Former Revolving Credit Facility balance was \$55.0 million. The Company repaid the Former Revolving Credit Facility and the Former Term Loan during the second quarter of 2019 with a portion of the proceeds from the Term Loan Facility and the Senior Notes. There were no letters of credit issued as of December 31, 2018. The weighted average interest rate on outstanding borrowings on the Former Revolving Credit facility was 6.26% on December 31, 2018.

There are no operations at TRWH. Cash held as of December 31, 2019 and December 31, 2018 was \$64.4 million and \$0.2 million, respectively, an increase driven by proceeds received from the Term Loan Facility and Senior Notes, as described above.

Debt Maturities

As of December 31, 2019, the contractual annual principal maturities of long-term debt, including the Revolving Credit Facility, were as follows:

(in thousands)

2020	\$	3,000
2021		3,000
2022		3,000
2023		3,000
2024		3,000
Thereafter		683,500
	\$	<u>698,500</u>

TWIN RIVER WORLDWIDE HOLDINGS, INC.
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11. LEASES

Operating Leases

The Company is committed under various operating lease agreements primarily related to submerged tidelands, property and equipment.

Hard Rock Biloxi has an agreement with the State of Mississippi for the lease and use of approximately five acres of submerged tidelands for a primary term of thirty years, expiring September 30, 2037. Upon expiration of the primary term, Hard Rock Biloxi will have an option to extend the lease for a renewal term of thirty years; the renewal option has not been included in the calculation of the lease liability or right of use asset as the Company is not reasonably certain to exercise the option. Annual rent for the lease, as of December 31, 2019, is approximately \$1.2 million and adjusts annually by the increase in the consumer price index ("CPI"). Future changes to the CPI are treated as variable lease payments and are recognized in the period in which the obligation for those payments is incurred.

Hard Rock Biloxi also has a Lease and Air Space agreement with the City of Biloxi. The agreement grants the Company rights to a parking area, and to the airspace above two defined parcels of land along with certain support structure rights for the construction of a parking garage. The arrangement has a 40-year term expiring November 18, 2043 with one 25-year renewal option at the Company's option; the renewal option has not been included in the calculation of the lease liability or right of use asset as the Company is not reasonably certain to exercise the option. Monthly rent escalates every 5 years based on CPI, and we are responsible for property taxes. Future changes to the CPI are treated as variable lease payments and are recognized in the period in which the obligation for those payments is incurred.

Certain of the Company's subsidiaries lease office space, parking space, memorabilia and equipment under agreements classified as operating leases that expire on various dates through 2027. Certain of the Company's leases include renewal options and escalation clauses; renewal options have not been included in the calculation of the lease liabilities and right of use assets as the Company is not reasonably certain to exercise the options. Discount rates used to determine the present value of the lease payments are based on a credit-adjusted secured borrowing rate commensurate with the term of the lease.

Variable expenses generally represent the Company's share of the landlord's operating expenses and CPI increases. The Company does not have any leases classified as financing leases.

During the year ended December 31, 2019, three equipment leases were terminated via purchase of the underlying assets.

At December 31, 2019, the Company had operating lease liabilities of \$17.2 million and right of use assets of \$17.2 million, which were included in the condensed consolidated balance sheet.

As of December 31, 2019, the weighted average remaining lease term was 16.7 years, with a weighted-average discount rate of 6.8%.

<i>(in thousands)</i>	Year Ended December 31, 2019
Operating leases:	
Operating lease cost	\$ 2,430
Variable lease cost	66
Operating lease expense	2,496
Short-term lease expense	1,830
Total lease expense	<u>\$ 4,326</u>

Supplemental cash flow and other information for the year ended December 31, 2019, related to operating leases was as follows:

<i>(In thousands)</i>	Year Ended December 31, 2019
Cash paid for amounts included in the lease liability - operating cash flows from operating leases	\$ 2,440
Right of use assets obtained in exchange for operating lease liabilities	\$ 18,771

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2019, future minimum rental commitments under noncancelable operating leases are as follows:

(in thousands)

2020	\$	2,157
2021		2,130
2022		1,846
2023		1,803
2024		1,753
Thereafter		19,503
Total		29,192
Less: present value discount		(11,964)
Operating lease obligations	\$	17,228

As of December 31, 2018, as calculated under ASC 840, Leases, future undiscounted minimum rental commitments under noncancelable operating leases are as follows:

(in thousands)

2019	\$	2,941
2020		2,308
2021		1,688
2022		1,627
2023		1,653
Thereafter		27,252
	\$	37,469

The Company also has leasing arrangements with third-party lessees at its properties. Leasing arrangements for which the Company acts as a lessor are not deemed material as of December 31, 2019.

12. EQUITY PLANS

The Company has two equity incentive plans: the 2010 BLB Worldwide Holdings, Inc. Stock Option Plan (the “2010 Option Plan”) and the 2015 Stock Incentive Plan (“2015 Incentive Plan”).

The 2010 Option Plan provided for options to acquire 2,455,368 shares of the Company’s common stock. Options granted to employees, officers and directors of the Company under the 2010 Option Plan vested on various schedules by individual as defined in the individual participants’ option agreements. Vested options can generally be exercised all or in part at any time until the tenth anniversary of the date of grant. Effective December 9, 2015, it was determined that no new awards would be granted under the 2010 Option Plan.

The 2015 Incentive Plan provides for the grant of stock options, RSAs, RSUs and other stock-based awards (including those with performance-based vesting criteria) to employees, directors or consultants of the Company. The 2015 Incentive Plan provides for the issuance of up to 1,700,000 shares of the Company’s common stock. As of December 31, 2019, 1,222,462 shares were available for grant under the 2015 Incentive Plan.

The Company recognized total share-based compensation expense of \$3.8 million for the year ended December 31, 2019, compared to a benefit of \$1.5 million and expense of \$17.8 million for the years ended December 31, 2018 and December 31, 2017, respectively. The total income tax benefit (expense) for share-based compensation arrangements was \$0.9 million, \$(0.4) million, and \$4.4 million, for the years ended December 31, 2019, 2018 and 2017, respectively.

As of December 31, 2019, there was \$1.9 million of unrecognized compensation cost related to outstanding share-based compensation arrangements (including stock options, RSA, RSU and PSU arrangements) which is expected to be recognized over a weighted average period of 0.6 years.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
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Stock Options

Stock option activity under the 2010 Option Plan for the year ended December 31, 2019 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2018	109,564	\$ 4.31		
Outstanding at December 31, 2019	109,564	\$ 4.31	3.6 years	\$ 2.3 million
Exercisable at December 31, 2019	109,564	\$ 4.31	3.6 years	\$ 2.3 million

There were no stock options granted during the years ended December 31, 2019, 2018 or 2017.

There were no stock options exercised during the year ended December 31, 2019. The total intrinsic value of options exercised or unvested options put to the Company (see discussions below) and cancelled was \$40.5 million and \$3.4 million for the years ended December 31, 2018 and 2017, respectively.

All stock option awards were vested as of December 31, 2017. Accordingly, there was no remaining compensation cost relating to unvested stock options as of December 31, 2019, 2018 or 2017.

Exercises and Related Notes Receivable and Puts

In July and November 2015, certain employees and directors exercised a combined total of 1,864,428 outstanding stock options (the “Financed Options”) and executed promissory notes to TRMG in connection with those exercises to finance the exercise price and associated income taxes. The notes are considered nonrecourse for accounting purposes. As such, (i) the purchases of common stock with a promissory note continued to be accounted for as stock options and (ii) no receivable for amounts due under the promissory notes for the exercise price of the Financed Options were recorded on the Company’s consolidated balance sheets.

On August 19, 2015, all previously issued option agreements under the 2010 Option Plan were amended (the “Put Amendment”), allowing the participant to request purchase by the Company (“Put”) during April or October each year beginning in 2016 (“Put Periods”) of up to one-third of any previously issued shares or vested but unexercised options under the 2010 Option Plan for Fair Market Value, as defined therein, less the applicable exercise price in the case of vested but unexercised options. Participants seeking to exercise the Put were required to be employed by the Company or serving as a director of the Company at the time of the request. Any purchases by the Company during a Put Period were subject to limitations contained in the credit agreements related to the Company’s indebtedness that were outstanding at the time. In March 2018, the Company revised the Put Periods from April and October to four periods in each year, subject to anticipated blackout periods. In December 2018, all outstanding options under the 2010 Option Plan were amended to remove the Put rights. Refer to Note 13 “Shareholders’ Equity” for more information.

Certain employees and directors Put a total of 331,112 and 93,332 Financed Options to the Company at \$23.50 and \$24.38 per share and paid the related promissory notes with a portion of the proceeds during the years ended December 31, 2018 and 2017, respectively. The shares are included in Treasury stock in the consolidated balance sheets after the respective Put dates. During the year ended December 31, 2018, in addition to the Put shares discussed above, promissory notes related to 1,439,984 Financed Options were paid. No additional promissory notes were paid for the year ended December 31, 2017. On the date the promissory notes are paid, the options are considered exercised and the common stock is considered issued for accounting purposes. As of December 31, 2018 and 2019, there were no Financed Options outstanding.

Exercises for Cash and Puts of Unexercised Options

During 2017, 13,336 vested but unexercised options were Put to the Company at \$24.38 per share and 54,976 options were exercised, with cash paid for the exercise price. During the years ended December 31, 2018 and 2019, no vested but unexercised options were Put to the Company and no options, excluding the Financed Options, were exercised.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
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In December 2018, when the Put rights were removed, the awards were reclassified from liability classified awards to equity classified awards. Upon the modification of the awards, the intrinsic value of the outstanding stock options of \$2.9 million was moved from the stock options liability to additional paid in capital in the consolidated balance sheets. For the year ended December 31, 2018 the Company recorded a reduction to compensation expense of \$3.2 million to adjust the stock options to the intrinsic value as of the date the stock options were exercised or reclassified to equity classified awards.

Prior to the removal of the Put rights in December 2018, the stock options were classified as liability classified options, thus at the end of each reporting period, the Company recognized share-based compensation expense for changes in the intrinsic value of the vested awards and the portion of the unvested awards that had been recorded in expense. All awards were vested as of December 31, 2017. Upon exercise, the Company recognized share-based compensation expense for the difference between the fair market value on the date of exercise and previously recognized compensation expense. The Company recorded compensation expense of \$16.1 million in connection with the 2010 Option Plan for the year ended December 31, 2017.

Restricted Stock Units and Performance-Based Restricted Stock Units

Under the 2015 Incentive Plan, RSUs and PSUs have been awarded to members of the Company's senior management and certain members of its Board of Directors. Each RSU and PSU represents the right to receive one share of the Company's common stock. RSUs generally vest in one-third increments over a three years period, and compensation cost is recognized over the respective service periods based on the grant date fair value. Up to one third of the PSUs may become eligible for vesting upon attainment of performance objectives for each of the subsequent three years. The number of PSUs that may become eligible for vesting varies and is dependent upon whether the performance targets are met, partially met or exceeded each year. All PSUs that become eligible for vesting based on achievement of the performance criteria will cliff vest at the end of the three-year period. The fair value of RSUs and PSUs issued subsequent to the Company becoming publicly traded in 2019 are determined based on the number of units granted and the quoted price of the Company's common stock as of the grant date. Refer to "Valuation of Equity Compensation Awards" below for the valuation methodology used for awards issued prior to 2019.

Under the terms of the above awards, shares of the Company's stock are issued upon vesting of the awards, unless deferral is elected by the participant at the time of the award. The Company removed the Put rights from the award agreements in December 2018; prior to that time, at the election of the participant, issued shares could be Put to the Company at fair value during any Put Period that was at least three years following the vesting date.

Equity-Classified Awards

The following summary presents information of equity-classified RSU and PSU activity for the year ended December 31, 2019:

	Restricted Stock Units	Performance Stock Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2018	38,552	101,880	\$ 17.42
Granted	132,511	46,609	30.68
Vested	(92,972)	(94,876)	21.91
Forfeited	(1,748)	—	19.27
Outstanding at December 31, 2019	<u>76,343</u>	<u>53,613</u>	\$ 28.57

The weighted average grant date fair value for RSUs and PSUs was \$30.68, \$27.15, and \$20.15 in 2019, 2018, and 2017, respectively.

The total intrinsic value of RSUs vested during the year ended December 31, 2019 was \$5.4 million . Total intrinsic value of RSUs vested, but not deferred, for the years ended December 31, 2018 and 2017 were \$0.6 million and \$0.3 million, respectively.

For PSU awards, performance objectives for each year are established no later than 90 days following the start of the year. As the performance targets have not yet been established for the PSUs that are eligible to be earned in 2020, a grant date has not yet been established for those awards in accordance with ASC 718, *Compensation—Stock Compensation*. The grant date for the 2019, 2018 and 2017 performance periods have been established and, based upon achievement of the performance criteria for the years ended

TWIN RIVER WORLDWIDE HOLDINGS, INC.
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December 31, 2019 and 2017, 48,525 and 66,644 PSUs, respectively, became eligible for vesting. For the 2018 performance period the Company did not achieve the performance target, thus no shares became eligible to vest.

Liability-Classified Awards

On January 1, 2018, the Company granted RSU's to certain employees with a cash settlement feature. The actual amount of cash will be determined by the number of RSUs to be settled in cash multiplied by the share price of Twin River common stock at the time of settlement. These awards vest in one-third increments as of December 31, 2018, 2019 and 2020.

The following summary presents liability-classified RSU activity for the year ended December 31, 2019:

	Restricted Stock Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2018	22,408	\$ 25.50
Vested and settled for cash	(9,568)	25.50
Forfeited	(3,268)	25.50
Outstanding at December 31, 2019	9,572	\$ 25.50

The 9,568 cash-settled vested RSUs were settled for \$0.2 million cash in January 2020. 11,208 cash-settled vested RSUs were settled for \$0.3 million of cash in January 2019.

Valuation of Equity Compensation Awards

Prior to the Company becoming publicly traded in 2019, the fair values of the shares of common stock underlying the Company's liability classified awards, RSUs and PSUs were estimated on each grant date by the Board of Directors. In order to determine the fair value, the Company's Board of Directors considered, among other things, valuations of its common stock in accordance with the guidance provided by the American Institute of Certified Public Accountants 2013 Practice Aid, Valuation of Privately Held Company Equity Securities Issued as Compensation, or the Practice Aid. Given the absence of a public trading market of Twin River's common stock, its Board of Directors exercised reasonable judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of its common stock. The Board of Directors used an income approach, weighted 50%, and a market approach, weighted 50%.

For the income approach, the Company performed a discounted cash flow analysis, which utilized projected cash flows as well as a residual value, which were discounted to the present value in order to arrive at an enterprise value. The Company relied on the following key assumptions for the income approach, in addition to management projections for the business:

- a weighted average cost of capital (WACC), which served as the discount rate applied to forecasted future cash flows to calculate the present value of those cash flows; and
- a long-term growth rate assumption, which was used to calculate the residual value of the Company before discounting to present value.
- For the market approach, the Company utilized the guideline company method and comparable transaction method by analyzing separately a population of comparable companies and comparable transactions and selected those companies considered to be the most comparable to the Company in terms of business description, size, growth, profitability, risk and return on investment, among other factors. The Company then used these guideline companies and comparable transactions to develop relevant market multiples and ratios, which were applied to the corresponding latest twelve months and forward financials to estimate total enterprise value. The Company relied on the following key assumptions for the market approach:
- the Company's projected financial results determined as of the valuation date based on its best estimates; and
- multiples of enterprise value to EBITDA, determined as of the valuation date, based on a group of comparable companies and comparable transactions.

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13. SHAREHOLDERS' EQUITY

Stock Dividend

On January 18, 2019, the Board of Directors of the Company approved a common stock dividend, accounted for as a stock split. The stock split was effected through a stock dividend of three shares for each share outstanding as of the approval date. The effect of this dividend has been retroactively applied to the consolidated financial statements as of and for the period ended December 31, 2018 resulting in an increase in shares outstanding from 9,855,339 to 39,421,356. All share and per share information included in the consolidated financial statements have been retroactively adjusted to reflect the impact of the stock dividend. The shares of common stock authorized remained at 100,000,000, and the shares retained a par value of \$0.01.

Capital Return Program and Quarterly Cash Dividends

On June 14, 2019, the Company announced that its Board of Directors approved a capital return program under which the Company may expend a total of up to \$250.0 million for a share repurchase program and payment of dividends. Share repurchases may be effected in various ways, which could include open-market or private repurchase transactions, accelerated stock repurchase programs, tender offers or other transactions. The amount, timing and terms of any return of capital transaction will be determined based on prevailing market conditions and other factors. The Company expects to fund any share repurchases and dividends from existing capital resources. There is no fixed time period to complete share repurchases.

On July 26, 2019, the Company completed a modified Dutch auction tender offer ("Offer"). Initially, 2,542,357 shares were accepted for payment. As a result of a DTC participant's error identified in August 2019, 37,386 shares that had been improperly tendered were returned, which reduced the number of purchased shares to 2,504,971 and an aggregate purchase price of \$73.9 million. The offer was funded with cash on hand.

During the year ended December 31, 2019, in addition to those shares purchased as part of the Offer, the Company repurchased 6,558,379 shares under the capital return program for an aggregate cost of \$148.8 million.

Total share repurchase activity during the years ended December 31, 2019 and 2018 were as follows:

<i>(in thousands, except share and per share data)</i>	Year Ended December 31,	
	2019	2018
Number of common shares repurchased	9,079,690	338,648
Total cost	\$ 223,075	\$ 7,958
Average cost per share, including commissions	\$ 24.57	\$ 23.50

All shares repurchased during the years ended December 31, 2019 and 2018 were transferred to treasury stock during the year of repurchase. The Company retired 1,431,980 shares of its common stock held in treasury during the year ended December 31, 2019. All shares repurchased during the year ended December 31, 2019 remained in treasury stock as of December 31, 2019. The shares retired during the year were returned to the status of authorized but unissued.

During the year ended December 31, 2019, the Company paid cash dividends of \$0.10 per common share on July 23, 2019 and October 25, 2019, for a total of \$0.20 per common share and a total cost of approximately \$7.6 million. As of December 31, 2019, \$19.7 million remained available for use under the above-mentioned capital return program. Future dividends will be considered and declared by the Board of Directors at its discretion.

On February 10, 2020, subsequent to the year ended 2019, the Board of Directors approved an increase in its previously announced capital return program of \$100.0 million.

Temporary Equity

In accordance with the Put Amendment, at the election of the participant, shares issued upon the exercise of stock options or the vesting of RSUs and PSUs may be Put to the Company at fair value during any Put Period after the stock option exercise or during any Put Period that is three years following the vesting date of the RSUs and PSUs.

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For the year ended December 31, 2017, 54,976 shares of redeemable common stock were issued and remained outstanding and were subject to a Put, respectively, upon exercise of stock options. For the year ended December 31, 2017, 16,968 shares of redeemable common stock were issued and remained outstanding, respectively, upon vesting of RSUs. For the year ended December 31, 2017, the redeemable shares of common stock were classified outside of permanent equity in temporary equity in the consolidated balance sheets. The Company recorded the redeemable shares of common stock at fair value at the end of each reporting period and reflected the period to period change as a deemed dividend related to change in fair value of common stock subject to possible redemption in the consolidated statements of operations and comprehensive income.

In January 2018, 25,136 shares of redeemable common stock were issued and remained outstanding, respectively, upon vesting of RSUs. In December 2018, all outstanding equity awards were amended to remove the Put rights. See Note 12 “Equity Plans”. Upon the removal of the Put rights effective December 2018, the fair value of the 357,224 shares of common stock that were no longer redeemable were reclassified from temporary equity to common stock and additional paid in capital in permanent equity in the consolidated balance sheets.

The following table summarizes the Company’s redeemable common stock activities for the years ended December 31, 2018 and 2017:

<i>(in thousands, except share data)</i>	Shares Subject to Redemption	Total Temporary Equity
Balance as of December 31, 2016	260,144	\$ 4,995
Release of restricted units for common stock subject to possible redemption	16,968	326
Stock options exercised for common stock subject to possible redemption	54,976	1,388
Deemed dividends related to change in fair value of common stock subject to possible redemption	—	2,344
Balance as of December 31, 2017	332,088	9,053
Release of restricted units for common stock subject to possible redemption	25,136	685
Deemed dividends related to change in fair value of common stock subject to possible redemption	—	(640)
Common stock no longer subject to possible redemption due to extinguishment of Puts	(357,224)	(9,098)
Balance as of December 31, 2018	—	\$ —

14. EMPLOYEE BENEFIT PLANS

Multi-employer Defined Benefit Plans

The Company participates in and contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover certain of its union-represented employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Company chooses to stop participating in some of its multi-employer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
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The following table outlines the Company's participation in multi-employer pension plans for the years ended December 31, 2019, 2018 and 2017 and sets forth the calendar year contributions and accruals for each plan. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number. The most recent Pension Protection Act zone status available in 2019 and 2018 relates to the plans' two most recent fiscal year-ends. The zone status is based on information that the Company received from the plans' administrators and is certified by each plan's actuary. Plans certified in the red zone are generally less than 65% funded, plans certified in the orange zone are both less than 80% funded and have an accumulated funding deficiency or are expected to have a deficiency in any of the next six plan years, plans certified in the yellow zone are less than 80% funded, and plans certified in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates whether a financial improvement plan ("FIP") for yellow/orange zone plans, or a rehabilitation plan ("RP") for red zone plans, is either pending or has been implemented. As of December 31, 2019 and 2018, all plans that have either a FIP or RP requirement have had the respective plan implemented.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions and Accruals (in \$000's)			Company Contributions > 5%	Union Contract Expires
		2019	2018		2019	2018	2017		
SEIU National Industry Pension Fund	52-6148540	Red	Red	Yes/Implemented	\$ 910	\$ 845	\$ 659	No	4/30/2022
New England Carpenters Pension Fund ⁽¹⁾	51-6040899	Green	Green	No	121	138	106	No	6/2/2020
Plumbers and Pipefitters Pension Fund	52-6152779	Yellow	Yellow	Yes/Implemented	299	311	267	No	8/29/2021
Rhode Island Laborers Pension Fund	51-6095806	Green	Green	No	785	934	929	Yes	7/31/2020
New England Teamsters Pension Fund	04-6372430	Red	Red	Yes/Implemented	361	582	541	No	6/30/2020
The Legacy Plan of the UNITE HERE Retirement Fund ⁽³⁾	82-0994119/001	Red	Red	Yes/Implemented	936	1,474	783	No	6/30/2021
The Adjustable Plan of the UNITE HERE Retirement Fund ⁽³⁾	82-0994119/002	N/A ⁽²⁾		No					
Total Contributions					<u>\$ 3,412</u>	<u>\$ 4,284</u>	<u>\$ 3,285</u>		

- (1) Effective January 1, 2018, the RI Carpenters Pension Fund merged into the New England Carpenters Pension Fund (EIN-51-6040899), which also has a green status for the pension protection act zone status.
- (2) The Plan is not subject to the Pension Protection Act of 2016 zone status certification rule.
- (3) Formerly listed as Hotel & Restaurant Employees International Pension Fund - Allocations of contributions between the two plans are determined by the plan administrator. Contributions for 2017 were made to the Legacy and Adjustable Plans of the National Retirement Fund (13-6130178). Effective January 1, 2018, certain assets of the National Retirement Fund were spun off into the UNITE HERE Retirement Fund.

Contributions, based on wages paid to covered employees totaled approximately \$3.4 million, \$4.3 million and \$3.3 million for the years ended December 31, 2019, 2018 and 2017, respectively. These aggregate contributions were not individually significant to any of the respective plans. The Company's share of the unfunded vested liability related to its multi-employer plans, if any, other than the New England Teamsters and Trucking Industry Pension Fund discussed below, is not determinable.

Under the terms of certain collective bargaining agreements, the Company contributes to a number of multi-employer annuity funds. Contributions are made at a fixed rate per hour worked, in accordance with the collective bargaining agreements. These plans are not subject to the withdrawal liability provisions applicable to multi-employer defined benefit pension plans. Contributions made to these plans by the Company were \$2.6 million, \$2.7 million and \$2.4 million for the years ended December 31, 2019, 2018 and 2017, respectively.

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Dover Downs Defined Benefit Pension Plans

The Company acquired two defined pension plans with the acquisition of Dover Downs on March 28, 2019, the Dover Downs Gaming & Entertainment, Inc. Pension Plan (“Dover Downs Pension Plan”) and the Dover Downs Gaming & Entertainment, Inc Excess Pension Plan (“Excess Plan”). The acquisition resulted in a revaluation of the benefit pension plan obligation as of the acquisition date.

Excess Plan

Dover Downs had historically maintained the Excess Plan, a non-qualified, non-contributory defined benefit pension plan for certain employees that had been frozen since July 2011. This Excess Plan provided benefits that would otherwise be provided under the qualified Dover Downs Pension Plan but for maximum benefit and compensation limits applicable under federal tax law. The cost associated with the Excess Plan is determined using the same actuarial methods and assumptions as those used for the qualified Dover Downs Pension Plan. The Excess Plan was settled as of March 31, 2019. The Company made a settlement payment of \$0.5 million during the three months ended March 31, 2019. The settlement payment is recorded within accrued liabilities on the opening balance sheet as of the acquisition date.

Dover Downs Pension Plan

Dover Downs maintained the Dover Downs Pension Plan, a non-contributory, tax qualified defined benefit pension plan that has been frozen since July 2011. All full-time employees, and part-time employees who worked over 1,000 hours per year, were eligible to participate in the Dover Downs Pension Plan. Benefits provided by the qualified pension plan were based on years of service and employees’ remuneration over their term of employment. Compensation earned by employees up to July 31, 2011 is used for purposes of calculating benefits under the Dover Downs Pension Plan with no future benefit accruals after this date.

For the defined benefit pension plan, the accumulated benefit obligation is equal to the projected benefit obligation. The following tables present the benefit obligation, fair value of plan assets and funded status of the plan:

	Year Ended December 31, 2019
<i>(in thousands)</i>	
Changes in Benefit Obligation	
Benefit obligation at acquisition date of March 28, 2019	\$ 24,067
Service cost	—
Interest cost	666
Actuarial (gain) loss	3,588
Benefits paid	(472)
Benefit obligation at end of year	\$ 27,849
Changes in Plan Assets	
Fair value of plan assets at acquisition date of March 28, 2019	\$ 17,454
Actual return (loss) on plan assets	1,815
Employer contributions	365
Benefits paid	(472)
Settlement payments	—
Fair value of plan assets at end of year	\$ 19,162
Unfunded status at end of year	\$ (8,687)

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Net periodic benefit (income) cost and other changes in plan assets and benefit obligations recognized consist of the following:

<i>(in thousands)</i>	Year Ended December 31, 2019
Net Periodic Benefit (Income) Cost	
Interest cost	\$ 666
Expected return on plan assets	(967)
Net periodic benefit (income) cost	\$ (301)
Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income	
Net actuarial loss	\$ 2,740
Total expense recognized in other comprehensive income	\$ 2,740
 Total expense recognized in net periodic benefit cost (income) and other comprehensive income (loss)	 \$ 2,439

No estimated net actuarial loss is expected to be amortized from accumulated other comprehensive income (loss) into net periodic benefit cost for the Dover Downs Pension Plan for the year ending December 31, 2020.

Amounts recognized in the consolidated balance sheets as of December 31, 2019 consist of non-current liabilities of \$8.7 million.

The principal assumptions used to determine net periodic pension benefit cost and benefit obligation under the Dover Downs Pension Plan as of December 31, 2019 consisted of the following:

	Year Ended December 31, 2019
Benefit obligation assumptions:	
Discount rate	3.28%
Salary scale	n/a
Net periodic benefit cost assumptions:	
Discount rate	4.05%
Expected return on plan assets	7.5%
Salary scale	n/a

The Company utilizes a spot rate approach to determine the benefit obligation and the subsequent years' interest cost component of the net periodic pension benefit. This method uses individual spot rates along the yield curve that correspond with the timing of each benefit payment and will provide a more precise measurement of the interest cost by improving the correlation between projected benefit cash flows and the corresponding spot yield curve rates. The Society of Actuaries' RP 2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006 and projected with Mortality Improvement Scale MP-2018 are also utilized.

For 2019, the assumed long-term rate of return on plan assets is 7.50%. In developing the expected long-term rate of return assumption, the Company reviewed asset class return expectations and long-term inflation assumptions and considered its historical compounded return, which was consistent with its long-term rate of return assumption.

The Company's investment goals for the Dover Downs Pension Plan assets are to achieve a combination of moderate growth of capital and income with moderate risk. Acceptable investment vehicles will include mutual funds, exchange-traded funds ("ETFs"), limited partnerships, and individual securities. Target allocations for plan assets are 60% equities and 40% fixed income. Of the equity portion, approximately 50% will be targeted to be invested in passively managed securities using ETFs and the other approximately 50% will be targeted to be invested in actively managed investment vehicles. Diversification is addressed by investing in mutual funds and ETFs which hold large, mid and small capitalization U.S. stocks, international (non-U.S.) equities, and emerging markets. A percentage of the investments are readily marketable in order to be available to fund benefit payment obligations as they become payable.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The asset allocation targets and the actual allocation of pension assets in the Dover Downs Pension Plan as of December 31, 2019 were as follows:

Asset Category	Target	December 31, 2019
Equity Securities	60%	60%
Debt Securities	40%	35%
Other	—%	5%
Total	100%	100%

The fair values of pension assets in the Dover Downs Pension Plan as of December 31, 2019 by asset category were as follows:

(in thousands)

Asset Category	Total	Level 1	Level 2	Level 3
Mutual funds/ETFs:				
Equity-large cap	\$ 6,702	\$ 6,702	\$ —	\$ —
Equity-mid cap	955	955	—	—
Equity-small cap	955	955	—	—
Equity-international	2,882	2,882	—	—
Fixed income	6,702	6,702	—	—
Money market	966	966	—	—
Total mutual funds/ETFs	\$ 19,162	\$ 19,162	\$ —	\$ —

Minimum pension contributions of \$0.5 million are required to be made to the Dover Downs Pension Plan under the Employee Retirement Income Security Act of 1974, as amended, (“ERISA”) in 2020. We expect to contribute approximately \$0.8 million to the Dover Downs Pension Plan in 2020.

The estimated future benefit payments under the Dover Downs Pension Plan are as follows:

(in thousands)

Year Ending December 31,

2020	\$ 902
2021	929
2022	976
2023	1,063
2024	1,106
2025-2029	6,130

Supplemental Executive Retirement Plan

The Company also acquired Dover Downs’ non-elective, non-qualified supplemental executive retirement plan (“SERP”) which provides deferred compensation to certain highly compensated employees of Dover Downs. The SERP is a discretionary defined contribution plan and contributions made to the SERP in any given year are not guaranteed and will be at the sole discretion of the committee responsible for administering the SERP. The liability for SERP pension benefits as of both the acquisition date and December 31, 2019, was de minimis.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

401(k) Plans

The Company has a retirement savings plan under Section 401(k) of the Internal Revenue Code covering non-union employees and certain union employees. The plan allows employees to defer up to the lesser of the Internal Revenue Code prescribed maximum amount or 100% of their income on a pre-tax basis through contributions to the plan. Dover Downs also maintains a defined contribution 401(k) plan, which permits participation by substantially all of its employees. Total employer contribution expense to both 401(k) profit-sharing plans were \$1.6 million, \$1.0 million and \$0.9 million for the years ended December 31, 2019, 2018 and 2017, respectively.

New England Teamsters and Trucking Industry Pension Fund

The *New England Teamsters and Trucking Industry Pension Fund* (the “Pension Fund”) is in critical and declining status. On September 30, 2018, the Company entered into an agreement to withdraw from the Pension Fund and is not expected to have any further obligation to contribute to the Pension Fund following the withdrawal payment of \$3.7 million the Company paid in October 2018. The Company recorded \$3.7 million in advertising, general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2018. On October 1, 2018, the Company entered into an agreement to re-enter the Pension Fund as a new employer and to contribute specified rates in the new agreement. The agreements have been ratified by the union and the trustees of the Pension Fund.

15. INCOME TAXES

The components of the provision for income taxes were as follows:

(in thousands)	Years Ended December 31,		
	2019	2018	2017
Current taxes			
Federal	\$ 9,022	\$ 15,262	\$ 38,400
State	2,033	5,217	5,587
	11,055	20,479	43,987
Deferred taxes			
Federal	7,363	5,760	(5,437)
State	1,632	120	311
	8,995	5,880	(5,126)
Provision for income taxes	<u>\$ 20,050</u>	<u>\$ 26,359</u>	<u>\$ 38,861</u>

The effective rate varies from the statutory U.S. federal tax rate as follows:

(in thousands)	Years Ended December 31,		
	2019	2018	2017
Income tax expense at statutory federal rate	\$ 15,789	\$ 20,537	\$ 35,388
State income taxes, net of federal effect	2,883	4,308	3,834
Nondeductible professional fees	1,255	1,776	—
Other permanent differences including lobbying expense	424	236	687
Share-based compensation	(261)	(718)	5,167
Deferred tax adjustment	—	—	(552)
Deferred tax impact of TCJA	—	117	(6,523)
Return to provision adjustments	(245)	89	—
Change in uncertain tax positions	205	14	860
Total provision for income taxes	<u>\$ 20,050</u>	<u>\$ 26,359</u>	<u>\$ 38,861</u>
Effective income tax rate on continuing operations	26.7%	27.0%	38.4%

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred income taxes at December 31, 2019 and 2018 are as follows:

(in thousands)	Years Ended December 31,	
	2019	2018
Deferred tax assets:		
Accrued liabilities and other	\$ 3,233	\$ 1,818
Tax basis difference in property and equipment	9,148	6,190
Tax basis difference in share-based compensation	1,800	1,694
Federal tax net operating loss carryforwards	121	—
State tax net operating loss carryforwards	310	131
Valuation allowance	—	—
Total deferred tax assets, net	\$ 14,612	\$ 9,833
Deferred tax liabilities:		
Tax basis difference in land	\$ (2,865)	\$ (1,848)
Tax basis difference in goodwill	(4,296)	(3,673)
Tax basis difference in amortizable assets	(21,241)	(21,838)
Total deferred tax liabilities	\$ (28,402)	\$ (27,359)
Net deferred tax liabilities	\$ (13,790)	\$ (17,526)

The Company will only recognize a deferred tax asset when, based on available evidence, realization is more likely than not. Accordingly, no valuation has been established as of December 31, 2019 and 2018, respectively.

During 2019, the Company acquired Dover Downs Entertainment, Inc. in a stock acquisition. Pursuant to ASC Topic 805, *Business Combinations*, the Company recognized an acquisition of \$11.9 million of deferred tax assets. For the years ended December 31, 2019 and 2018 the net deferred tax liabilities decreased by \$3.7 million and increased by \$5.9 million, respectively. For the year ended December 31, 2019, an increase of \$9.0 million was included in income from operations, a decrease of \$11.9 million was acquired from the Dover Downs Entertainment, Inc., and a decrease of \$0.9 million was included in other comprehensive loss. For the year ended December 31, 2018, an increase of \$5.9 million was included in income from operations.

As of December 31, 2019, the Company has \$0.6 million of federal net operating carryforwards and \$2.6 million of Delaware net operating loss carryforwards, both with an unlimited carryforward period. There was no federal or Delaware net operating loss carryforward as of December 31, 2018. As of December 31, 2019 and December 31, 2018, the Company has \$3.6 million and \$3.8 million, respectively, of Colorado net operating loss carryforwards which expire at various dates through 2037. As of December 31, 2019, the Company anticipates sufficient taxable income to make utilization of these net operating losses more likely than not during the carryforward periods, and accordingly, no valuation allowance has been established.

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118") to provide guidance on accounting for the tax effects of the Tax Cuts and Jobs Act (the "TCJA"). SAB 118 provides a measurement period that begins in the reporting period that includes the TCJA's enactment date and ends when an entity has obtained, prepared, and analyzed the information that was needed in order to complete the accounting requirements under ASC 740, however in no circumstance should the measurement period extend beyond one year from the enactment date. In accordance with SAB 118, a company must reflect in its financial statements the income tax effects of those aspects of the TCJA for which the accounting under ASC 740 is complete. SAB 118 provides that to the extent that a company's accounting for certain income tax effects of the TCJA is incomplete, but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In accordance with SAB 118, the Company has recorded a provisional estimated income tax benefit of \$6.5 million for the year ended December 31, 2018 related to the remeasurement of the Company's net deferred tax liability and other effects of the TCJA. As a result of the adoption of the TCJA, the Company remeasured the net deferred tax liability at the reduced federal corporate income tax rate. During the fourth quarter of 2018, the Company completed its analysis to determine the deferred tax effect of the TCJA and recorded immaterial adjustments as of December 22, 2018.

From time to time, the Company may be subject to audits covering a variety of tax matters by taxing authorities in any taxing jurisdiction where the Company conducts business. While the Company believes that the tax returns filed, and tax positions taken are supportable and accurate, some tax authorities may not agree with the positions taken. This can give rise to tax uncertainties which, upon audit, may not be resolved in the Company's favor. As of December 31, 2018, the Company has recorded tax contingency accruals for uncertain tax positions of approximately \$0.4 million, which would impact the effective tax rate, if recognized. There were no tax contingency accruals for uncertain tax positions recorded as of December 31, 2019. As of December 31, 2018, \$0.4 million of unrecognized tax benefit has been classified as a current liability based on the anticipated cash settlement with the tax authorities within the next during 2019. There was no unrecognized tax benefit recorded as of December 31, 2019. A reconciliation of the beginning and ending balances of the gross liability for uncertain tax positions is as follows:

	Years Ended December 31,		
	2019	2018	2017
<i>(in thousands)</i>			
Uncertain tax position liability at the beginning of the year	\$ 400	\$ 445	\$ 106
Increases related to tax positions taken during prior period	—	21	953
Decreases related to tax positions taken during prior periods	(400)	—	—
Decreases related to settlements with taxing authorities	—	(66)	(614)
Uncertain tax position liability at the end of the year	\$ —	\$ 400	\$ 445

The Company and its subsidiaries file tax returns in several jurisdictions. The Company remains subject to examination for U.S. federal income tax purposes for the years ended December 31, 2017 through 2019. The Company remains subject to examination for state tax purposes for the years ended December 31, 2012 through 2019 in Colorado, for the years ended December 31, 2016 through 2019 in Delaware, for the years ended December 31, 2015 through 2019 in Rhode Island and for the years ended December 31, 2016 through 2019 in Mississippi. The Company is currently under audit by the State of Colorado for tax years ended December 31, 2012 through 2015. Based on the current status of the Colorado audit, the Company believes no additional reserves are necessary.

The Company has a tax sharing agreement with its subsidiaries. Under the agreement, subsidiaries are required to satisfy their separate return liability and pay for benefits realized by virtue of filing a consolidated return. The Company and its subsidiaries made total cash tax payments during 2019 and 2018 of \$16.5 million and \$22.2 million, respectively, to federal and state taxing authorities. Effective July 10, 2014, the tax sharing agreement was amended to comply with the credit agreement in place related to the Company's indebtedness. The amendment limits payments to any Unrestricted Subsidiaries, as defined in the credit agreement, to the actual payments of tax made by the unrestricted subsidiary directly or indirectly to the consolidated group. As of December 31, 2019, Mile High USA, Inc. and its subsidiaries are unrestricted subsidiaries.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. COMMITMENTS AND CONTINGENCIES

Operating Leases

As of December 31, 2019, future minimum rental commitments under noncancelable operating leases are as follows:

(in thousands)

Year Ending December 31,

2020	\$	2,157
2021		2,130
2022		1,846
2023		1,803
2024		1,753
Thereafter		19,503
	\$	<u>29,192</u>

Total rent expense for these long-term lease obligations was approximately \$4.3 million, \$2.0 million and \$1.5 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Hard Rock License Agreement

Under the Hard Rock License agreement, beginning on June 30, 2007, the Company was obligated to pay an annual fee of \$1.1 million, which increased to \$1.5 million over the next five years and increases annually thereafter based on the consumer price index, plus fees based on non-gaming revenues. The Company will pay a “Continuing Fee” equal to 3% of the Licensing Fee Revenues and a marketing fee equal to 1% of the Licensing Fee Revenues during the term of the agreement. Fee expense under the license agreement was \$3.0 million for each of the years ended December 31, 2019 and 2018 and was \$2.9 million for the year ended December 31, 2017 and is included in advertising, general and administrative expenses in the consolidated statements of operations. As of both December 31, 2019 and 2018, \$0.2 million had been accrued and recorded in accrued liabilities in the consolidated balance sheets.

Insurance

The Hard Rock Biloxi casino is constructed over water on concrete pilings; however, the threat of hurricanes is a risk to the facility. Hard Rock Biloxi’s current insurance policy provides up to \$400.0 million in coverage for damage to real and personal property including business interruption coverage. The coverage is provided by a panel of U.S., Bermuda and London based insurers and is comprised of multiple shared primary and excess layers. The coverage is syndicated through several insurance carriers, each with an A.M. Best Rating of A- (Excellent) or better. Although the insurance policy is an all risk policy, any loss resulting from a named storm, is sub-limited to \$125 million with a deductible of 2% of insured values subject to a minimum \$250,000 and a maximum of \$5.0 million.

The Company also has a \$500,000 Flood Insurance policy with a deductible of \$5,000 for building damage and \$5,000 for damage to contents.

Master Video Lottery Terminal Contract

The current term for the Twin River Casino Hotel contract with the Division of Lotteries of the Rhode Island Department of Revenue ends July 17, 2020, with two additional five-year options subject to Twin River Casino Hotel meeting minimum employment requirements.

The current term for the Tiverton Casino Hotel contract with the Division of Lotteries of the Rhode Island Department of Revenue ends November 23, 2020, with two additional five-year options subject to meeting minimum employment requirements. The contract was automatically assigned, pursuant to Rhode Island law, from Newport Grand to Tiverton Casino Hotel upon commencement of gaming operations at the new facility.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Legal Matters

The Company is involved in various claims and legal actions. On January 9, 2019, Chatham Asset Management, LLC and certain of its affiliates, which own less than 1% of the Company's outstanding common stock as of December 31, 2019, filed an amended action in the Delaware Chancery Court against the Company's directors and certain officers asserting individual and derivative claims. The complaint alleges that the defendants breached their fiduciary obligations by launching a tender offer in 2016 to benefit their own personal interests and the interests of one shareholder, made false and misleading disclosures in connection with the tender offer and improperly made payments to themselves in respect of the settlement of certain Twin River awards. The defendants believe the plaintiffs' claims are without merit and intend to vigorously defend the action, and the Company believes the action will not have a material adverse effect on our results of operations.

The Company's management believes, based on currently available information, that any liability arising from such litigation, in excess of amounts recorded in the consolidated balance sheets, will not have a material effect on the Company's financial position, results of operations or cash flows.

Change in Control Provisions

Certain current and former directors and certain members of the management team have agreements with the Company whereby upon a change in control or qualified IPO of the Company, as defined, the individuals will receive a fixed cash payment of approximately \$1.9 million in the aggregate. This amount would be reduced if the total equity value of the Company was less than approximately \$63.3 million. In September 2015, these agreements were amended, to allow for receipt of one-third of the total cash payment on each of November 5, 2015, 2016 and 2017, subject to continued service as a director or employee of the Company through the applicable date.

Certain members of the management team have agreements with the Company which would entitle them to, among other benefits, a severance payment equal to their base salary for the longer of the amount of time remaining until the end of the then-current term or twelve months (twenty-four months in the event that the termination occurs within twelve months following a change in control) in the event of termination of their employment under certain scenarios within twelve months following a change in control, as defined therein.

17. SEGMENT REPORTING

As of December 31, 2019, the Company has five operating segments, Twin River Casino Hotel, Hard Rock Biloxi, Tiverton Casino Hotel, Dover Downs, and Mile High USA, which have been aggregated into three reportable segments. Newport Grand, which represented an immaterial operating segment and operated up until its closing in August 2018, has been aggregated with Twin River Casino Hotel and Tiverton Casino Hotel to form the Rhode Island reportable segment. The Company's Biloxi reportable segment includes only Hard Rock Biloxi. The Company's Delaware reportable segment includes only Dover Downs. The "Other" category includes Mile High USA, an immaterial operating segment. "Other" also includes interest expense for the Company and certain corporate operating expenses that are not allocated to the other segments, which include, among other expenses, share-based compensation, merger and acquisition costs, and certain non-recurring charges.

The Company's operations are all within the United States. The Company does not have any revenues from any individual customers that exceed 10% of total reported revenues.

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table reflects revenues, income (loss), and identifiable assets for each of the Company's reportable segments and reconciles these to the amounts shown in the Company's consolidated financial statements.

	Rhode Island	Delaware	Biloxi	Other	Total
Year Ended December 31,					
<u>2019</u>					
Total revenue	\$ 306,306	\$ 80,806	\$ 127,432	\$ 9,033	\$ 523,577
Income (loss) from operations	102,080	9,039	23,242	(19,735)	114,626
Income (loss) before provision for income taxes	97,777	8,934	23,273	(54,804)	75,180
Depreciation and amortization	18,473	3,996	9,743	180	32,392
Interest expense	3,274	147	—	36,409	39,830
Capital expenditures, including Tiverton Casino Hotel and new hotel at Twin River Casino	16,649	3,984	6,355	1,249	28,237
<u>2018</u>					
Total revenue	\$ 302,652	n/a	\$ 125,137	\$ 9,748	\$ 437,537
Income (loss) from operations	106,055	n/a	23,475	(8,881)	120,649
Income (loss) before provision for income taxes	97,508	n/a	23,479	(23,190)	97,797
Depreciation and amortization	12,896	n/a	9,255	181	22,332
Interest expense	8,555	n/a	13	14,457	23,025
Capital expenditures, including Tiverton Casino Hotel and new hotel at Twin River Casino	98,700	n/a	6,315	23,875	128,890
<u>2017</u>					
Total revenue	\$ 287,859	n/a	\$ 122,694	\$ 10,500	\$ 421,053
Income (loss) from operations	122,791	n/a	21,334	(20,402)	123,723
Income (loss) before provision for income taxes	113,936	n/a	21,330	(34,158)	101,108
Depreciation and amortization	11,911	n/a	10,146	147	22,204
Interest expense	8,857	n/a	17	13,935	22,809
Capital expenditures, including Tiverton Casino Hotel and new hotel at Twin River Casino	8,285	n/a	5,124	34,444	47,853
	Rhode Island	Delaware	Biloxi	Other	Total
As of December 31,					
<u>2019</u>					
Goodwill	\$ 83,101	\$ 1,047	\$ 48,934	\$ —	\$ 133,082
Total assets	537,168	144,376	259,970	80,373	1,021,887
<u>2018</u>					
Goodwill	\$ 83,101	n/a	\$ 48,934	\$ —	\$ 132,035
Total assets	535,795	n/a	245,376	1,181	782,352

TWIN RIVER WORLDWIDE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

18. Selected Quarterly Financial Data (Unaudited)

The following table contains quarterly financial information for the years 2019 and 2018. The Company believes that the following information reflects all normal recurring adjustments necessary for a fair statement of the information for the periods presented.

(in thousands, except per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2019				
Total revenue	\$ 120,631	\$ 143,218	\$ 129,309	\$ 130,419
Total operating costs and expenses	90,324	109,372	107,858	101,397
Income from operations	30,307	33,846	21,451	29,022
Total other expense, net	(7,038)	(10,521)	(10,650)	(11,237)
Income before provision for income taxes	23,269	23,325	10,801	17,785
Provision for income taxes	5,673	6,145	3,802	4,430
Net income	17,596	17,180	6,999	13,355
Net income per share				
Basic	\$ 0.46	\$ 0.42	\$ 0.19	\$ 0.40
Diluted	\$ 0.46	\$ 0.42	\$ 0.18	\$ 0.40
2018				
Total revenue	\$ 104,806	\$ 110,815	\$ 110,494	\$ 111,422
Total operating costs and expenses	79,929	79,391	80,843	76,725
Income from operations	24,877	31,424	29,651	34,697
Total other expense, net	(5,699)	(5,068)	(5,364)	(6,721)
Income before provision for income taxes	19,178	26,356	24,287	27,976
Provision for income taxes	6,544	6,056	7,913	5,846
Net income	12,634	20,300	16,374	22,130
Net income per share				
Basic	\$ 0.34	\$ 0.55	\$ 0.44	\$ 0.60
Diluted	\$ 0.33	\$ 0.53	\$ 0.42	\$ 0.57

19. SUBSEQUENT EVENTS

On January 23, 2020, the Company completed its acquisition of Affinity Gaming's subsidiary that owns Golden Gates, Golden Gulch and Mardi Gras casinos in Black Hawk, Colorado. See Note 5 "Acquisitions".

On February 10, 2020, the Company announced that its Board of Directors approved an increase in its previously announced capital return program of \$100.0 million.

On February 24, 2020, the Company's Board of Directors declared a cash dividend of \$0.10 per common share to shareholders of record as of the close of business on March 6, 2020, payable on March 20, 2020.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the year ended December 31, 2019, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our chief executive officer and chief financial officer have concluded that during the period covered by this report, our disclosure controls and procedures were effective.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on our assessment, management believes that, as of December 31, 2019, the Company's internal control over financial reporting is effective based on these criteria.

This Annual Report on Form 10-K does not include, and we are not required to include, as attestation report of our independent registered public accounting firm on the effectiveness of our internal control over financial reporting pursuant to Section 404(b) for as long as we remain an "emerging growth company" as defined in the JOBS Act.

Changes in Internal Control over Financial Reporting

There have been no significant changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be contained, in our Definitive Proxy Statement on Schedule 14A for our Annual Meeting of Stockholders to be held on May 19, 2020 (the “2020 Proxy Statement”) under the captions “Directors and Nominees for Director,” “Directors and Executive Officers of the Registrant,” “Delinquent Section 16(a) Reports,” and “Committees of the Board of Directors—Audit Committee” and is incorporated herein by this reference.

Code of Business Conduct

We have adopted a Code of Business Conduct that applies to our Chief Executive Officer, Chief Financial Officer, and employees within our finance, operations and sales departments. Our Code of Business Conduct is publicly available on our website at www.twinriverwwholdings.com and is available free of charge by writing Twin River Worldwide Holdings, Inc., 100 Westminster Street, Providence, RI 02903, Attn: Investor Relations. We intend to make any legally required disclosures regarding amendments to, or waivers of, the provisions of the code of conduct and ethics on our website at www.twinriverwwholdings.com.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be contained in the 2020 Proxy Statement under the captions “Non-employee Director Compensation,” “Executive Compensation,” “Compensation Discussion and Analysis,” “Executive Compensation Tables,” “Potential Payments Upon Termination or Change-in-Control,” “CEO Pay Ratio,” “Risk Oversight,” “Compensation Risk,” “Compensation Committee Interlocks and Insider Participation” and “Report of the Compensation Committee” and is incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be contained, in part, in the 2020 Proxy Statement under the caption “Stock Ownership of Certain Beneficial Owners and Management”, and is incorporated herein by this reference.

The following table provides information as of December 31, 2019 with respect to Twin River’s common shares issuable under its equity compensation plan.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	109,564	\$ 4.31	1,516,345
Equity compensation plans not approved by security holders	—	—	—
Total	109,564	\$ 4.31	1,516,345

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated herein by reference to our 2020 Proxy Statement under the caption “Certain Relationships and Related Transactions”.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated herein by reference to our 2020 Proxy Statement under the caption “Ratification of the Appointment of Independent Registered Public Accounting Firm”.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as a part of this Annual Report on Form 10-K.

1. *Financial Statements.* The Financial Statements filed as part of this Annual Report on Form 10-K are listed in the Index to Financial Statements in “Item 8. Financial Statements and Supplementary Data.”
2. *Financial Statement Schedules.* All schedules have been omitted because they are either not required or the information required is included in our consolidated financial statements or the notes thereto included in Item 8 hereof.
3. *Exhibits.* The exhibits filed as part of this Annual Report on Form 10-K are listed in the Exhibit Index immediately following “Item 16. Form 10-K Summary,” which is incorporated herein by reference.

ITEM 16. Form 10-K Summary

None.

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
2.1 [#]	<u>Transaction Agreement, dated July 22, 2018, among Dover Downs Gaming & Entertainment, Inc., Twin River Worldwide Holdings, Inc. and Double Acquisition Corp., including amendment dated October 8, 2018 (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-4 (File No. 333-228973) filed on December 21, 2018)</u>
2.2 [#]	<u>Equity Purchase Agreement dated as of July 10, 2019, by and among Isle of Capri Casinos LLC, IOC-Vicksburg, Inc. and IOC-Vicksburg, L.L.C., Rainbow Casino Vicksburg Partnership, L.P., IOC-Kansas City, Inc., Twin River Management Group, Inc., Premier Entertainment Vicksburg, LLC, and, solely for purposes of Section 1.5, Section 4.17, Section 4.21, Section 4.22 and Section 8.19, Eldorado Resorts, Inc., and solely for purposes of Section 1.5 and Section 8.20, Twin River Worldwide Holdings, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K (File No. 001-38850) filed July 11, 2019)</u>
3.1	<u>Certificate of Incorporation of Twin River (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-4 (File No. 333-228973) filed on December 21, 2018)</u>
3.2	<u>Bylaws of Twin River (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K (File No. 333-228973) filed on March 22, 2019)</u>
4.1	<u>Form of Certificate of Common Stock of Twin River (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
4.2	<u>Indenture, dated as of May 10, 2019, among Twin River Worldwide Holdings, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K (File No. 001-38850) filed on May 13, 2019)</u>
4.3*	<u>Description of Registrant's Securities</u>
10.1	<u>License Agreement, dated May 15, 2003, by and between Hard Rock Hotel Licensing, Inc., Premier Entertainment Biloxi LLC, and Premier Entertainment, LLC (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.2	<u>First Letter Agreement, dated April 4, 2006, by and between Hard Rock Hotel Licensing, Inc., Premier Entertainment Biloxi LLC, and Premier Entertainment, LLC (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.3	<u>First Amendment to Hard Rock License Agreement, dated May 10, 2007, by and between Hard Rock Hotel Licensing, Inc., Premier Entertainment Biloxi LLC, and Premier Entertainment Biloxi LLC (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.4	<u>Second Amendment to Hard Rock License Agreement, dated July 10, 2014, by and between Hard Rock Hotel Licensing, Inc., Premier Entertainment Biloxi LLC, and Premier Entertainment Biloxi LLC, and Twin River Management Group, Inc. (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.5	<u>Master Video Lottery Terminal Contract, dated July 18, 2005, by and between the Division of Lotteries of the Division of Lotteries of the Rhode Island Department of Administration and UTGR, Inc. (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.6	<u>First Amendment to Master Video Lottery Terminal Contract, dated November 4, 2010, by and between Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.7	<u>Second Amendment to Master Video Lottery Terminal Contract, dated May 3, 2012, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.8	<u>Third Amendment to Master Video Lottery Terminal Contract, dated September 18, 2012, by and between Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.9	<u>Fourth Amendment to Master Video Lottery Terminal Contract, dated July 1, 2014, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>

Exhibit Number	Description of Exhibit
10.10	<u>Fifth Amendment to Master Video Lottery Terminal Contract, dated May 2, 2017, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.11	<u>Sixth Amendment to Master Video Lottery Terminal Contract, dated May 3, 2017, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.12	<u>Seventh Amendment to Master Video Lottery Terminal Contract, dated March 12, 2018, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.13	<u>Master Video Lottery Terminal Contract, dated November 23, 2005, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Newport Grand Jai Alai, LLC (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.14	<u>First Amendment to Master Video Lottery Terminal Contract, dated January 25, 2006, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Newport Grand Jai Alai, LLC (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.15	<u>First Amendment to Master Video Lottery Terminal Contract, as previously amended, dated December 21, 2010, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC) (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.16	<u>Second Amendment to Master Video Lottery Terminal Contract, dated May 31, 2012, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC) (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.17	<u>Third Amendment to Master Video Lottery Terminal Contract, dated May 1, 2013, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC) (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.18	<u>Fourth Amendment to Master Video Lottery Terminal Contract, dated July 14, 2015, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Premier Entertainment II, LLC, d/b/a Newport Grand (assignee of Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC)) (incorporated by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.19	<u>Fifth Amendment to Master Video Lottery Terminal Contract, dated May 2, 2017, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Premier Entertainment II, LLC, d/b/a Newport Grand (assignee of Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC)) (incorporated by reference to Exhibit 10.19 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.20	<u>Sixth Amendment to Master Video Lottery Terminal Contract, dated March 12, 2018, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration), Premier Entertainment II, LLC, d/b/a Newport Grand (assignee of Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC)) and Twin-River Tiverton, LLC (incorporated by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.21	<u>Seventh Amendment to Master Video Lottery Terminal Contract, dated September 13, 2018, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) Premier Entertainment II, LLC, d/b/a Newport Grand (assignee of Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC)) and Twin-River Tiverton, LLC (incorporated by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>

Exhibit Number	Description of Exhibit
10.22	<u>Assignment, Assumption and Amendment of Master Video Lottery Terminal Contract, dated September 13, 2018, by and between Premier Entertainment II, LLC and Twin River-Tiverton LLC (incorporated by reference to Exhibit 10.22 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.23	<u>Agreement, dated October 4, 2017, by and between Dover Downs, Inc. and Delaware Standardbred Owners Association (incorporated by reference to Exhibit 10.23 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.24**	<u>BLB Worldwide Holdings, Inc. 2010 Stock Option Plan (incorporated by reference to Exhibit 10.24 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.25**	<u>Amendment to 2010 BLB Worldwide Holdings, Inc. Stock Option Plan, effective June 17, 2014 (incorporated by reference to Exhibit 10.25 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.26**	<u>Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.27**	<u>Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.28 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.28**	<u>Form of Restricted Stock United Award Agreement (Performance-Based) (incorporated by reference to Exhibit 10.29 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019).</u>
10.29**	<u>Amended Letter Agreement, effective as of December 31, 2018, by and between Twin River Worldwide Holdings, Inc. and John E. Taylor, Jr. (incorporated by reference to Exhibit 10.30 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.30**	<u>Employment Agreement, effective as of March 29, 2016, by and between Twin River Management Group, Inc. and George Papanier (incorporated by reference to Exhibit 10.31 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.31**	<u>Employment Agreement, effective as of January 1, 2019, by and between Twin River Worldwide Holdings, Inc. and Stephen H. Capp (incorporated by reference to Exhibit 10.32 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.32**	<u>Amendment No 1. to Employment Agreement, dated as of January 13, 2020, by and among Twin River Worldwide Holdings, Inc. and George Papanier (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-38850) filed on January 16, 2020)</u>
10.33	<u>Credit Agreement, dated as of May 10, 2019, among Twin River Worldwide Holdings, Inc., the subsidiary guarantors party thereto, the lenders party thereto and Citizens Bank, N.A., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-38850) filed on May 13, 2019)</u>
10.34*	<u>Amended and Restated Regulatory Agreement, dated November 13, 2019, by and among the Rhode Island Department of Business Regulation, the Division of Lotteries of the Rhode Island Department of Revenue, Twin River Worldwide Holdings, Inc., Twin River Management Group, UTGR, Inc, Twin River-Tiverton, LLC</u>
10.35* **	<u>Restricted Stock Unit Award Agreement effective as of April 2, 2019, by and between Twin River Worldwide Holdings Inc., and George Papanier.</u>
10.36* **	<u>Restricted Stock Unit Award Agreement effective as of April 2, 2019, by and between Twin River Worldwide Holdings Inc., and Stephen H. Capp.</u>
10.37* **	<u>Restricted Stock Unit Award Agreement (Performance-Based) effective as of April 2, 2019, by and between Twin River Worldwide Holdings Inc., and George Papanier.</u>
10.38* **	<u>Restricted Stock Unit Award Agreement (Performance-Based) effective as of April 2, 2019, by and between Twin River Worldwide Holdings Inc., and Stephen H. Capp.</u>
10.39* **	<u>Form Restricted Stock Unit Award Agreement (Performance-Based)</u>
10.40* **	<u>Form Restricted Stock Unit Award Agreement</u>
10.41* **	<u>Employment Agreement, effective July 10, 2013, by and between Twin River Management Group, Inc. and Craig L. Eaton.</u>
21.1*	<u>Schedule of Subsidiaries</u>
23.1*	<u>Consent of Independent Public Accounting Firm</u>
31.1*	<u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>

Exhibit Number	Description of Exhibit
31.2*	<u>Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1*	<u>Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2*	<u>Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS	XBRL Instance Document - the instance document does not appear in the interactive data file because XBRL tags are embedded within the inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from Twin River Worldwide Holdings, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2019, formatted in inline XBRL contained in Exhibit 101
#	As permitted under Item 601(a)(5) of Regulation S-K the exhibits and schedules to this exhibit are omitted from this filing. The Company agrees to furnish a supplemental copy of any omitted exhibit or schedule to the SEC upon its request.
*	Filed herewith.
**	Management contracts or compensatory plans or arrangements.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 13, 2020.

TWIN RIVER WORLDWIDE HOLDINGS, INC.

By: /s/ STEPHEN H. CAPP
Stephen H. Capp
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title	Date
<u>/s/ GEORGE T. PAPANIER</u> George T. Papanier	President, Chief Executive Officer and Director (Principal Executive Officer)	March 13, 2020
<u>/s/ STEPHEN H. CAPP</u> Stephen H. Capp	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 13, 2020
<u>/s/ SOOHYUNG KIM</u> Soohyung Kim	Chairman	March 13, 2020
<u>/s/ TERRENCE DOWNEY</u> Terrence Downey	Director	March 13, 2020
<u>/s/ JEFFREY W. ROLLINS</u> Jeffrey W. Rollins	Director	March 13, 2020
<u>/s/ WANDA Y. WILSON</u> Wanda Y. Wilson	Director	March 13, 2020

**DESCRIPTION OF REGISTRANT'S SECURITIES
REGISTERED UNDER SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

The following is a summary of certain information concerning Twin River Worldwide Holding, Inc.'s (the "Company," "Twin River," "we," "us," or "our") securities registered pursuant to Section 12 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). The summaries and descriptions below do not purport to be complete statements of the relevant provisions the Company's amended and restated certificate of incorporation (the "Certificate of Incorporation") and amended and restated bylaws (the "Bylaws"). The summaries are qualified in their entirety by reference to the complete text of Twin River's Certificate of Incorporation and Bylaws, which are included as exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2019, of which this exhibit is a part, and by provisions of applicable law.

DESCRIPTION OF CAPITAL STOCK

General

Our authorized capital stock consists of 100,000,000 shares of common stock, par value \$0.01 per share. The outstanding shares of our common stock are duly authorized, validly issued, fully paid and non-assessable.

Common Stock

Dividend Rights. Dividends may be declared by our board of directors from time to time.

Voting Rights. Each share of common stock is entitled to one vote. At each shareholders meeting, all matters will be decided by a majority of the votes (except with respect to the election of directors, who are elected by a plurality of the votes) cast at such meeting by the holders of shares of capital stock present or represented by proxy and entitled to vote thereon with a quorum being present (except in cases where a greater number of votes is required by law, our Certificate of Incorporation or our Bylaws).

Other Rights. Our common stock has no preemptive rights or no cumulative voting rights and there are no redemption, sinking fund or conversion provisions in our Certificate of Incorporation or our Bylaws.

Anti-takeover Effects of Certain Provisions of our Certificate of Incorporation and our Bylaws

In addition to regulatory requirements applicable to us and the ownership of our shares, some provisions of the General Corporation Law of the State of Delaware (the "DGCL") and our Certificate of Incorporation and our Bylaws could have the effect of delaying, deferring or discouraging another party from acquiring control of Twin River. These provisions, which are summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of Twin River to first negotiate with our board of directors.

Requirements for Advance Notification of Shareholder Nominations and Proposals and Director Qualification Requirements. Our Bylaws establish advance notice procedures with respect to shareholder proposals, other than proposals made by or at the direction of our board of directors. Proper notice must be timely, in proper written form, and must set forth certain details of the nomination or proposal. The Chairman of the meeting may determine that a nomination or proposal was defective and should be disregarded. In addition, our Bylaws provide that no person may serve as a member of our board of directors, or be elected or nominated for such a position, unless, at the time of such service, election or nomination, such person has been licensed by applicable regulatory authorities. Together, these provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed, and may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Classified Board of Directors. Our Certificate of Incorporation provides that our board of directors is divided into three classes, each of which will hold office for a three-year term.

Calling Special Shareholder Meetings. Our Bylaws provide that special meetings of our shareholders may be called only by the Chairman of our board of directors, by a majority of the whole board or by holders of our common stock who hold at least 20% of the outstanding common stock entitled to vote generally in the election of directors.

Removal of Directors. Our Bylaws state that any director or the entire board of directors may be removed only for cause by the holders of a majority of the shares then entitled to vote at an election of directors.

Limitation on Financial Interest. Our Certificate of Incorporation provides that we may not permit any person or entities to acquire a direct or indirect entity or economic interest in us equal to or greater than 5% of any class of equity or economic interests without the approval of the relevant gaming authorities (subject to certain specified exceptions). Any transfer of shares of our common stock that results in a person acquiring more than such 5% threshold shall not be recognized until the relevant gaming authorities have consented to such transfer. Our Certificate of Incorporation also provides that an additional license or consent from the gaming authorities is required for ownership equal to or greater than 20% of any class of equity interests of Twin River. In addition, our Bylaws also include limitations and restrictions on ownership of common stock relating to regulatory requirements and licenses, including restrictions on transfers that would violate applicable gaming laws and repurchase rights in the event that shareholders are determined to be unsuitable to hold our common shares.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Listing

Our common stock is listed on the NYSE under the symbol “TRWH.”

EXECUTION VERSION**AMENDED AND RESTATED REGULATORY AGREEMENT**

This Amended and Restated Regulatory Agreement (this "Agreement") is signed and effective as of November 13, 2019 (the "Effective Date") by and among the Rhode Island Department of Business Regulation, an agency of the State of Rhode Island ("DBR"), the Division of Lotteries of the Rhode Island Department of Revenue (the "Division"), Twin River Worldwide Holdings, Inc., a Delaware corporation ("TRWH"), Twin River Management Group, Inc., a Delaware corporation and a wholly owned subsidiary of TRWH ("TRMG"), UTGR, Inc., a Delaware corporation and wholly owned subsidiary of TRMG ("UTGR"), and Twin River-Tiverton, LLC, a Delaware limited liability company and wholly owned subsidiary of TRMG (successor by assignment to Premier Entertainment II, LLC, a Delaware limited liability company and wholly owned subsidiary of TRMG ("PE II") ("TRT" and, together with UTGR, each, a "Rhode Island Company" and together, the "Rhode Island Companies"). The Rhode Island Companies, together with TRWH and TRMG (unless otherwise specified), are referred to collectively herein as the "Company" or the "Companies".

RECITALS:

WHEREAS, the parties hereto are parties to the Regulatory Agreement, dated July 1, 2016 (as amended prior to the date hereof, and including any side letters entered into in connection therewith, the "Prior Agreement"), which Prior Agreement superseded all of the Prior Undertakings, other than the Continuing Prior Undertakings; and

WHEREAS, the parties desire to amend and restate the Prior Agreement as provided in this Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual promises, covenants, obligations and conditions herein contained, the parties hereby agree as follows:

1. Definitions.

The capitalized terms set forth below have the corresponding meanings when used in this Agreement.

"Adjustment Amount" means the percentage increase in the consumer price index ("CPI") as reported by the Bureau for Labor Statistics for the calendar year just completed, in each case commencing on January 1, 2015.

"Administrative Agent" means Citizens Bank, N.A., in its capacity, including any successor thereto, as administrative agent for the lenders under the Credit Agreement.

"Affiliate" shall mean, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent" shall mean any of Administrative Agent, Auction Manager identified in the Credit Agreement, Collateral Agent and/or Lead Arrangers identified in the Credit Agreement, as applicable.

"Agreement" shall have the meaning set forth in the Preamble hereto.

"Agreement Value" shall mean, for each Hedging Agreement, on any date of determination, the maximum aggregate amount (giving effect to any netting agreements) that the Company or its applicable Subsidiary would be required to pay if such Hedging Agreement were terminated on such date.

"Allocation Principles" shall have the meaning set forth in Section 7.6(c) of this Agreement.

"Asset Sale" shall mean (a) any conveyance, sale, lease, transfer or other disposition (including by way of merger or consolidation and including any sale and leaseback transaction) of any Property (including accounts receivable and Equity Interests of any Person owned by TRWH or any of its Subsidiaries but not any issuance of Equity Interests) (whether owned on the Effective Date or thereafter acquired) by TRWH or any of its Subsidiaries to any Person (other than with respect to any other Company, to any Company) and (b) any issuance or sale by any Subsidiary of its Equity Interests to any Person (other than to TRWH or any other Subsidiary); *provided* that the following shall not constitute an "Asset Sale": (v) any conveyance, sale, lease, transfer or other disposition of inventory, in any case in the ordinary course of business, (w) real property leases and other leases, licenses, subleases or sublicenses, in each case, granted to others in the ordinary course of business and which do not materially interfere with the business of TRWH and the Subsidiaries taken as a whole, (x) any conveyance, sale, lease, transfer or other disposition of obsolete or worn out assets or assets no longer useful in the business of the Company, (y) licenses of intellectual property entered into in the ordinary course of business, and (z) any conveyance, sale, transfer or other disposition of cash and/or cash equivalents or a sale, transfer or conveyance of property (other than a Facility) in connection with a "sale-leaseback" transaction involving the creation of a Non-Recourse Capital Lease Obligation.

"Biloxi Property" means the Hard Rock Hotel & Casino Biloxi.

"Board" shall have the meaning set forth in Section 4.1 of this Agreement.

"Bond Debt" shall mean any unsecured debt securities issued by TRWH or any of its Affiliates pursuant to an indenture (provided that such debt securities are not convertible into a Financial Interest in TRWH or any of its Affiliates).

"Business Day" means a day on which the DBR and the Division are open for regular business, provided such day is not a Saturday or Sunday.

"CapEx Amount" shall have the meaning set forth in Section 7.5(d) of this Agreement.

"CapEx Shortfall Amount" shall have the meaning set forth in Section 7.5(d) of this Agreement.

"Capital Lease Obligations" of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. Notwithstanding anything to the contrary in this Agreement, any change in accounting for leases pursuant to GAAP resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842), to the extent such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on December 31, 2018, such lease shall not be considered a capital lease, and all calculations and deliverables under this Agreement shall be made or delivered, as applicable, in accordance therewith.

"Cash Management Agreement" shall mean any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer and other cash management arrangements.

"Casino Gaming" shall have the meaning set forth in R.I. Gen. Laws § 42-61.2(1).

"Casualty Event" shall mean any loss of title or any loss of or damage to or destruction of, or any condemnation or other taking (or settlement in lieu thereof) (including by any Governmental Authority) of, any Property. "Casualty Event" shall include, but not be limited to, any taking of all or any part of any real property of the Company or its Subsidiaries or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any law (or settlement in lieu thereof), or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of the Company or any of its Subsidiaries or any part thereof by any Governmental Authority, civil or military.

"Collateral Agent" shall mean Citizens Bank, N.A., in its capacity as collateral agent for the Secured Parties, together with any successor collateral agent thereunder.

"Colorado Subsidiaries" shall mean, collectively, Mile High USA, Inc., Interstate Racing Association, Inc., Racing Associates of Colorado, Ltd. d/b/a Arapahoe Park, and each other subsidiary of Mile High USA, Inc. or any of its Subsidiaries.

"Comfort Letters" shall collectively mean (a) the letter agreement between the Division and UTGR dated May 10, 2013, which shall remain effective with respect to the "Refinancing," as that term is defined in such letter agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement), (b) the letter agreement between DBR and UTGR dated May 9, 2013, which shall remain effective with respect to the "Refinancing," as that term is defined in such letter agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement), (c) the letter agreement dated July 10, 2014, among DBR, the Division and UTGR, which shall remain effective with respect to the "2014 Refinancing" as that term is defined in such letter agreement

(including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement), (d) the letter agreement dated July 14, 2015 among DBR, the Division and PE II regarding the acquisition of assets of Newport Grand, LLC by PE II, which shall remain effective with respect to the "2015 Transaction," as that term is defined in such letter agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement), and to PE II's becoming a party to the Credit Agreement and Guaranty and Collateral Agreement and to PE II, TRWH, TRMG and UTGR's execution of any loan documents pursuant to the Credit Agreement and/or the Guaranty and Collateral Agreement in relation to the 2015 Transaction, (e) the Assignment, Assumption and Amendment of Regulatory Agreement dated as of October 31, 2018 among DBR, the Division, TRWH, TRMG, UTGR, PE II and TRT regarding the replacement of the Newport Facility by the Tiverton Casino and the assignment by PE II to TRT of its right, title and interest as a party to the Prior Agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement) and (f) the letter agreement dated May 10, 2019, by and among DBR, the Division, UTGR and TRT, which shall remain effective with respect to the "Refinancing" and the "Notes Issuance", as such terms are defined in such letter agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement).

"Company" shall have the meaning set forth in the Preamble hereto.

"Competitive Activities" shall mean engaging in, holding or acquiring, having a financial interest in, operating, being involved in the operation of, managing, consulting to or being employed by, as a principal or for their own account or solely or jointly with others, (i) any Competitive Facility, (ii) any business providing gaming-specific goods or services to any Competitive Facility, or (iii) any business of Video Lottery Games or Simulcasts or pari-mutuel betting or Casino Gaming in Rhode Island, Massachusetts, Connecticut or New Hampshire, in the case of each of (i), (ii) and (iii) other than UTGR, TRT or the Facility; *provided, however*, that ownership of not more than five percent (5%) of any class of equity securities actively traded on a national securities exchange of any business owning a Competitive Facility, providing gaming-specific goods or services to a Competitive Facility or operating Video Lottery Games, Simulcasts, pari-mutuel betting or Casino Gaming shall not constitute Competitive Activities.

"Competitive Facility" shall mean any Pari-mutuel Facility and any other current, prospective or contemplated gaming venue or facility, in each case, located in Rhode Island, Massachusetts, Connecticut or New Hampshire.

"Compliance Agreement" means that certain Compliance Agreement, dated as of September 28, 2010, by and between UTGR and the DBR.

"Compliance Officer" shall have the meaning set forth in Section 4.3 of this Agreement.

"Compliance Report" shall have the meaning set forth in Section 6.2(h) of this Agreement.

"Consolidated EBITDA" shall mean, for any Test Period, Consolidated Net Income for such period plus (or minus), without duplication and to the extent already deducted (and not added back) in computing Consolidated Net Income, the following amounts charged, recognized or realized by TRWH and its Restricted Subsidiaries in such period:

- (a) total provision for Taxes based on income or profits, including federal, foreign, state, franchise and similar taxes (including excise taxes imposed by any jurisdiction in the nature of income or franchise taxes); plus
- (b) Consolidated Interest Expense; plus
- (c) depreciation and amortization (including amortization of intangibles and amortization and write-off of financing costs); plus
- (d) non-cash impairment charges or other non-cash charges, losses or expenses; plus
- (e) any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards; plus
- (f) loss on sale of assets not in the ordinary course of business and any extraordinary, unusual or non-recurring expenses or losses; provided that the aggregate amount added pursuant to this clause (f) shall not exceed \$10,000,000 in any consecutive twelve (12)-month period; plus
- (g) professional fees paid to consultants to assist TRWH, TRMG and their Subsidiaries thereof to preserve tax refunds resulting from prior net operating losses; plus
- (h) charges related to Hedging Agreements; plus
- (i) fees and expenses relating to the Transactions; plus
- (j) costs and expenses (including reasonable fees, charges and disbursements of counsel, accountants and other professionals), including restructuring charges or reserves, integration costs, referendum costs and other business optimization expenses (which, for the avoidance of doubt, shall include retention, severance, systems establishment costs, one-time corporate establishment costs, contract termination costs and costs to relocate employees) or costs associated with establishing or acquiring new facilities and capital or operating expenditures related to technology, safety, financial controls and business development process upgrades; plus
- (k) fees and expenses incurred and payable to the Administrative Agent; plus
- (l) \$25.0 million, such amount being TRWH's good faith estimate of the amount of annual VLT Addback; plus
- (m) the Consolidated EBITDA of (i) any Person, property, business or asset (including a management agreement or similar agreement) (other than an Unrestricted

Subsidiary) acquired by TRWH or any Restricted Subsidiary during the applicable Test Period and (ii) any Unrestricted Subsidiary the designation of which as such is revoked and converted into a Restricted Subsidiary during the applicable Test Period, in each case, based on the Consolidated EBITDA of such Person (or attributable to such property, business or asset) for such period (including the portion thereof occurring prior to such acquisition or revocation), determined as if references to TRWH and its Restricted Subsidiaries in Consolidated Net Income and other defined terms therein were to such Person and its Subsidiaries; provided that (i) TRWH delivers to the DBR and the Division a certification by the chief financial officer (or person holding an equivalent position) of such Consolidated EBITDA amounts and (ii) TRWH responds promptly to any requests for additional information from the DBR and the Division with respect to the determination of such amounts; minus

(n) the Consolidated EBITDA of (i) any Person, property, business or asset (other than an Unrestricted Subsidiary) sold, transferred or otherwise disposed of, closed or classified as discontinued operations by TRWH or any Restricted Subsidiary during such Test Period and (ii) any Restricted Subsidiary that is designated as an Unrestricted Subsidiary during such Test Period, in each case based on the actual Consolidated EBITDA of such Person for such period (including the portion thereof occurring prior to such sale, transfer, disposition, closing, classification or conversion), determined as if references to TRWH and its Restricted Subsidiaries in Consolidated Net Income and other defined terms therein were to such Person and its Subsidiaries; minus

(o) to the extent included in computing Consolidated Net Income, extraordinary gains and non-recurring gains; minus

(p) non-cash income increasing Consolidated Net Income for such period, other than (i) the accrual of revenue consistent with past practice (and, notwithstanding the foregoing reference to "past practice", in accordance with GAAP) and (ii) the reversal in such period of an accrual of, or cash reserve for, cash expenses in a prior period, but only to the extent such accrual or reserve was not added back to Consolidated Net Income in calculating Consolidated EBITDA in a prior period; minus

(q) interest income except to the extent deducted in determining Consolidated Interest Expense; in each case determined on a consolidated basis in accordance with GAAP; provided that:

(i) to the extent any non-cash charge specifically added back to Consolidated EBITDA in a prior period pursuant to any clause of this definition becomes a cash charge, a deduction in the amount of such cash charge (without duplication of any other deduction of the same amount) from Consolidated EBITDA shall be made to the full extent of such cash charge, during the period in which such non-cash charge becomes a cash charge;

(ii) to the extent all or any portion of the income of any Person is excluded from Consolidated Net Income pursuant to the definition thereof for all or any portion of such period, any amounts set forth in the preceding clauses (a) through (r) that are attributable to such Person shall not be included for purposes of this definition for such period or portion thereof;

(iii) for purposes of calculating Consolidated EBITDA for any period, Consolidated EBITDA of any Subsidiary thereof which was designated as an "Unrestricted Subsidiary" during such period in accordance with the Credit Agreement, shall in each case be excluded for such period (as if the consummation of such sale or other disposition or such designation as an Unrestricted Subsidiary, and the repayment of any Indebtedness in connection therewith occurred as of the first day of such period); and

(iv) notwithstanding anything to the contrary contained herein, Consolidated EBITDA shall be deemed to be (i) \$47,500,000 for the fiscal quarter ended September 30, 2018, (ii) \$43,200,000 for the fiscal quarter ended December 31, 2018, and (iii) \$50,500,000 for the fiscal quarter ended March 31, 2019.

"Consolidated Interest Expense" shall mean, for any Test Period, the sum of (a) the interest expense (including imputed interest expense in respect of Capital Lease Obligations and synthetic lease obligations) of TRWH and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (including, for the avoidance of doubt, all commissions, discounts and other fees and charges owed in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP), plus (b) any interest accrued during such period in respect of Indebtedness of TRWH and its Restricted Subsidiaries that is required to be capitalized rather than included in consolidated interest expense for such period in accordance with GAAP. For purposes of the foregoing, interest expense shall be determined after giving effect to any net payments made or received by TRWH and its Restricted Subsidiaries with respect to interest rate Hedging Agreements but shall exclude any non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations in respect of Hedging Agreements or other derivative instruments pursuant to Statement of Financial Accounting Standards No. 133. For the avoidance of doubt, interest income shall not be considered when determining Consolidated Interest Expense.

"Consolidated Net Income" shall mean, for any Test Period, the net income or loss of TRWH and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income of any Subsidiary thereof to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary thereof of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, statute, rule or governmental regulation applicable to such Subsidiary thereof, (b) the income or loss of any Person accrued prior to the date it becomes a Subsidiary thereof or is merged into or consolidated with TRWH or any Subsidiary thereof or the date that such Person's assets are acquired by TRWH or any Subsidiary thereof, (c) the income of any Person who is an Unrestricted Subsidiary or in which any other Person has a joint

interest, except to the extent of the amount of dividends or other distributions actually paid to TRWH or a Subsidiary thereof by such Person during such period, (d) any gains attributable to sales of assets out of the ordinary course of business, and (e) (to the extent not included in clauses (a) through (d) above) any extraordinary gains or extraordinary losses.

“Continuing Prior Undertakings” shall mean the Prior Undertakings identified with an asterisk (*) on Exhibit H.

“Contractual Obligation” shall mean as to any Person, any provision of any security issued by such Person or of any mortgage, deed of trust, security agreement, pledge agreement, promissory note, indenture, credit or loan agreement, guaranty, securities purchase agreement, instrument, lease, contract, agreement or other contractual obligation to which such Person is a party or by which it or any of its Property is bound or subject.

“Control” or “Controlled” shall mean the direct or indirect power to manage, direct, or oversee the management and/or policies of a person or entity, whether through ownership of voting securities, by contract, or otherwise.

“Control Threshold” shall mean the direct or indirect ownership of twenty percent (20%) or greater Financial Interest in UTGR or TRT.

“Credit Agreement” shall have the meaning set forth in Section 6.2 of this Agreement.

“Credit Documents” has the meaning set forth in the Credit Agreement in effect on the Effective Date.

“Credit Parties” shall mean TRWH and the guarantors party to the Credit Agreement.

“DBR” shall have the meaning set forth in the Preamble hereto.

“Disqualified Capital Stock” shall mean any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, or requires the payment of any cash dividend or any other scheduled payment constituting a return of capital or (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interest referred to in clause (a) above.

“Division” shall have the meaning set forth in the Preamble hereto.

“Effective Date” shall have the meaning set forth in the Preamble hereto.

“Equity Interests” shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity

interests in any Person, and any option, warrant or other right entitling the holder thereof to purchase or otherwise acquire any such equity interest.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

“Facility” shall mean, collectively, the Tiverton Casino and the Lincoln Facility.

“Financial Interest” shall mean a direct or indirect equity or economic interest in a Person, including but not limited to an interest as a shareholder of a corporation, partner (general or limited) of a partnership or member of a limited liability company or through the ownership of derivative interests in a Person. Notwithstanding the foregoing, “Financial Interests” shall not include (i) the Bond Debt, (ii) any unsecured indebtedness of the Company, its Subsidiaries or Affiliates of any kind that is not convertible into a Financial Interest in such Person (including but not limited to indebtedness of the Company, its Subsidiaries or Affiliates for borrowed money, unpaid interest or fees, or any guarantee by the Company, its Subsidiaries or Affiliates of any such unsecured non-convertible indebtedness of any other Person), (iii) any interest in such unsecured non-convertible indebtedness, (iv) any derivative instrument related solely to any such unsecured non-convertible indebtedness, or (v) Non-Recourse Capital Lease Obligations.

“GAAP” means generally accepted accounting principles used in the United States.

“Gaming/Racing Authorities” shall mean the applicable gaming and/or racing board, commission or other Governmental Authority responsible for the interpretation, administration, execution and administrative enforcement of, or otherwise having licensing or regulatory authority with respect to the Gaming/Racing Laws applicable to the Company or any of its Subsidiaries, including, without limitation, the DBR, the Division, the Mississippi Gaming Commission, the Delaware Gaming Authorities (as such term is defined in the Credit Agreement in effect on the Effective Date) and the Delaware Harness Racing Commission.

“Gaming/Racing Laws” shall mean, as clarified and supplemented by the Comfort Letters, as applicable, in respect of any Rhode Island Gaming/Racing Laws, all laws, rules, regulations, ordinances, orders and other enactments applicable to Casino Gaming, casinos, dog racing, horse racing, simulcasting, video lottery terminal and/or any other gaming, gambling or wagering operations or activities with respect to the Company or any of its Subsidiaries, as applicable, as in effect from time to time, including the policies, interpretations, orders, decisions, judgments, awards, decrees and administration thereof by any Gaming/Racing Authority, including, without limitation, R.I. Gen. Laws §§ 41-1-1, *et seq.*, 41-2-1, *et seq.*, 41-3-1, *et seq.*, 41-3.1-1, *et seq.*, 41-4-1, *et seq.*, 41-7-1, *et seq.*, 41-11-1, *et seq.*, 42-14-17, 42-35-1, *et seq.*, 42-61-1, *et seq.*, 42-61.1-1, *et seq.*, 42-61.2-1, *et seq.* and 42-61.3-1, *et seq.*, as amended, the DBR’s and Division’s Rules and Regulations promulgated by the respective directors pursuant to applicable Rhode Island laws and the provisions of the Mississippi Gaming Control Act, as codified in Chapter 76 of Title 75 of the Mississippi Code of 1972, as amended, and the rules and regulations promulgated by the Mississippi Gaming Commission, as amended, and any consents,

rulings, orders, directives or similar issuances of the Mississippi Gaming Commission pursuant thereto, and Title 29, Chapter 48 of the Delaware Code, as amended, and the regulations promulgated pursuant thereto, and all amendments thereto, and any consents, rulings, orders, directives or similar issuances of the Delaware Gaming Authorities pursuant thereto and Title 3, Chapter 100 of the Delaware Code, as amended, and the regulations promulgated pursuant thereto, and all amendments thereto, and any consents, rulings, orders, directives or similar issuances of the Delaware Harness Racing Commission pursuant thereto and the regulations promulgated pursuant thereto, and all amendments thereto.

“Gaming/Racing Licenses” shall mean, as the context requires, any licenses, permits, franchises, approvals, findings of suitability or other authorizations from any Gaming/Racing Authority or any other federal, state, local or foreign or governmental agency, instrumentality or regulatory body required to own, develop, lease, manage, operate or host (directly or indirectly) any business conducted by the Company or any of its Subsidiaries because of the gaming, racing and/or simulcasting operations conducted or hosted or proposed to be conducted or hosted by the Company or any of its Subsidiaries, as clarified and supplemented by the Comfort Letters to the extent applicable, including, without limitation, as clarified and supplemented by the Comfort Letters, (i) certification by the Rhode Island Secretary of State that the qualified voters of the State have approved the expansion of gambling at the Lincoln Facility to include casino gaming, (ii) certification by the Board of Canvassers of the Town of Lincoln that the qualified electors of the Town of Lincoln have approved the expansion of gambling at the Lincoln Facility to include casino gaming, (iii) this Agreement, (iv) the VLT Contract, (v) the Tiverton VLT Contract, (vi) License/Facility Permit Number 2005-1 issued by the DBR on July 18, 2005 to UTGR pursuant to R.I. Gen. Laws §§ 41-1-1, *et seq.*, 41-3-1, *et seq.*, 41-3.1-1, *et seq.*, 41-4-1, *et seq.*, 41-7-1, *et seq.*, 41-11-1, *et seq.*, 42-14-17 and 42-35-1, *et seq.* and the rules and regulations promulgated thereunder, maintained in place pursuant to DBR order dated October 18, 2010 (adopting the Hearing Officer’s recommendation in the matter of UTGR, Inc., DBR No. 09-L-0150), and incorporated by legislative amendment into R.I. Gen. Laws § 41-3.1-3(c), (vii) License/Facility Permit Number 2011-11 issued by the DBR on June 28, 2011 to Newport Grand, LLC pursuant to R.I. Gen. Laws §§ 41-1-1, *et seq.*, 41-7-1, *et seq.*, 41-11-1, *et seq.*, 42-14-17 and 42-35-1, *et seq.* and the rules and regulations promulgated thereunder, the transfer of which to Premier Entertainment II, LLC was authorized pursuant to DBR order dated June 29, 2015 (adopting the hearing officer’s recommendation in the matter of Premier Entertainment II, LLC, DBR No. 15RA008) and confirmed by License/Facility Permit Number 2015-1 issued by the DBR on July 14, 2015, and incorporated by legislative amendment into R.I. Gen. Laws § 41-7-3(c), and License/Facility Permit Number 2018-1 issued by the DBR on August 29, 2018 to Twin River-Tiverton, LLC pursuant to R.I. Gen. Laws §§ 41-1-1, *et seq.*, 41-7-1, *et seq.*, 41-11-1, *et seq.*, 42-14-17 and 42-35-1, *et seq.* and the rules and regulations promulgated thereunder, (viii) any licenses and/or approvals issued by DBR to vendors, employees, owners or others with a Financial Interest pursuant to R.I. Gen. Laws §§.I. Gen. *et seq.*, 41-3-1, *et seq.*, 41-3.1-1, *et seq.*, 41-4-1, *et seq.*, 41-7-1, *et seq.*, 41-11-1, *et seq.*, 42-14-17 and 42-35-1, *et seq.* and the rules and regulations promulgated thereunder, (ix) lottery retailer license effective April 1, 2019 to March 31, 2020, issued by the Division to UTGR pursuant to Rhode Island law, including

but not limited to R.I. Gen. Laws §§ 42-61-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (x) the video lottery retailer license, effective April 1, 2019 to March 31, 2020, issued by the Division to UTGR pursuant to Rhode Island law, including but not limited to R.I. Gen. Laws §§ 42-61.2-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (xi) the table game retailer license, effective April 1, 2019 to March 31, 2020, issued by the Division to UTGR pursuant to R.I. Gen. Laws §§ 42-61.2-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (xii) lottery retailer license effective April 1, 2019 to March 31, 2020, issued by the Division to TRT pursuant to Rhode Island Law, including R.I. Gen. Laws §§ 42-61-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (xiii) the video lottery retailer license, effective April 1, 2019 to March 31, 2020, issued by the Division to TRT pursuant to Rhode Island Law, including R. I. Gen laws §§ 42-61.2-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (xiv) the table game retailer license, effective April 1, 2019 to March 31, 2020, issued by the Division to TRT pursuant to R.I. Gen. Laws §§ 42-61.2-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (xv) Gaming License #915 dated January 20, 2014, issued by the Mississippi Gaming Commission to Premier Entertainment on December 19, 2013 pursuant to §§ 75-76-67 of the Mississippi Code of 1972, as amended, and all extensions and renewals thereof, (xvi) all such other licenses, permits, franchises, approvals, regulations, findings of suitability or other authorizations granted under Gaming/Racing Laws or any other applicable laws related thereto, (xvii) certification by the Rhode Island Secretary of State that the qualified voters of the State have approved the expansion of gambling at the Tiverton Casino, as defined herein, to include casino gaming, and (xviii) certification by the Board of Canvassers of the Town of Tiverton that the qualified electors of the Town of Tiverton have approved the expansion of gambling at the Tiverton Casino to include casino gaming.

“Gaming/Racing Properties” shall mean, collectively, (i) each Facility, (ii) the Biloxi Property, and (iii) any other casino or other gaming or racing establishment or operation owned, managed or operated by the Company or any of its Subsidiaries from time to time.

“Governmental Authority” shall mean any government or political subdivision of the United States or any other country, whether federal, state, provincial or local, or any agency, authority, board, bureau, central bank, commission, office, division, department or instrumentality thereof or therein, including, without limitation, any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to such government or political subdivision including, without limitation, any Gaming/Racing Authority and any Liquor Authority.

“Guarantee” of or by any Person shall mean any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct

or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness or other obligation, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment of such Indebtedness or other obligation or (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation; *provided, however*, that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness or other obligation of the primary obligor in respect of which such Guarantee is made (or, if less, the maximum amount of such Indebtedness or other obligation for which such Person may be liable, whether singly or jointly, pursuant to the terms of the instrument evidencing such Guarantee) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder).

“Hard Rock Subsidiaries” shall mean, collectively, Premier Entertainment, Premier Finance Biloxi Corp., a Delaware corporation, and Jamland, LLC, a Delaware limited liability company.

“Hedging Agreement” shall mean any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

“Incremental Commitments” shall mean the “Incremental Commitments” as such term is defined in the Credit Agreement in effect on the Effective Date, and loans and commitments made pursuant thereto.

“Indebtedness” of any Person shall mean “Indebtedness” of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money; (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person; (d) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding (i) trade accounts payable and accrued obligations incurred in the ordinary course of business, (ii) the financing of insurance premiums, (iii) any such obligations payable solely through the issuance of Equity Interests, and (iv) any earn-out obligation until such obligation appears in the liabilities section of the balance sheet of such Person in accordance with GAAP (excluding disclosure on the notes and footnotes thereto); provided that any earn-out obligation that appears in the liabilities section of the balance sheet of such Person shall be excluded, to the extent (x) such Person is indemnified for the payment thereof and such indemnification is not disputed or (y) amounts to be applied to the payment therefor are in escrow); (e) all Indebtedness (excluding prepaid interest thereon) of others secured by any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed; provided, however, that if such obligations have not been assumed, the amount of such Indebtedness included for the

purposes of this definition will be the amount equal to the lesser of the fair market value of such property and the amount of the Indebtedness secured; (f) with respect to any Capital Lease Obligations of such Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP; (g) all net obligations of such Person in respect of Hedging Agreements; (h) all obligations of such Person as an account party in respect of letters of credit and bankers' acceptances, except obligations in respect of letters of credit issued in support of obligations not otherwise constituting Indebtedness shall not constitute Indebtedness except to the extent such letter of credit is drawn and not reimbursed within three (3) Business Days of such drawing; (i) all obligations of such Person in respect of Disqualified Capital Stock; and (j) all Contingent Obligations of such Person in respect of Indebtedness of others of the kinds referred to in clauses (a) through (i) above. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner unless recourse is limited, in which case the amount of such Indebtedness shall be the amount such Person is liable therefor (except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor). The amount of Indebtedness of the type described in clause (d) shall be calculated based on the net present value thereof. The amount of Indebtedness of the type referred to in clause (g) above of any Person shall be zero unless and until such Indebtedness shall be terminated, in which case the amount of such Indebtedness shall be the then termination payment due thereunder by such Person. For the avoidance of doubt, it is understood and agreed that (x) casino "chips" and gaming winnings of customers, (y) any obligations of such Person in respect of Cash Management Agreements and (z) any obligations of such Person in respect of employee deferred compensation and benefit plans shall not constitute Indebtedness. Operating leases shall not constitute Indebtedness hereunder regardless of whether required to be recharacterized as Capital Lease Obligations pursuant to GAAP.

"Investment" shall have the meaning set forth in Section 7.6(f) of this Agreement.

"Joint Venture" shall mean any Person, other than an individual or a wholly owned Subsidiary of TRWH, in which TRWH or a Subsidiary of TRWH (directly or indirectly) holds or acquires an ownership interest (whether by way of capital stock, partnership or limited liability company interest, or other evidence of ownership).

"Knowledge" of the Company shall mean the actual and constructive knowledge, after reasonable inquiry in good faith of direct reports, of all Senior Executives and all directors of the Company and each of its Subsidiaries.

"Lenders" shall mean (a) each Person listed on Annexes A-1 or A-2 to the Credit Agreement, (b) any Lender providing an Incremental Commitment pursuant to Section 2.12 of the Credit Agreement and any Person that becomes a Lender pursuant to Section 2.15 of the Credit Agreement and (c) any Person that becomes a "Lender" under the Credit Agreement pursuant to an Assignment Agreement thereunder, in each case, other than any such Person that ceases to be a Lender pursuant to an Assignment Agreement or a Borrower Assignment Agreement under the Credit Agreement. Unless

the context requires otherwise, the term “Lenders” shall include any Swingline Lender and any L/C Lender identified in the Credit Agreement.

“Leverage Ratio” shall mean, on any date, the ratio of Total Debt as of such date to Consolidated EBITDA for the Test Period.

“Lien” shall mean, with respect to any asset, (a) any mortgage, deed of trust, deed to secure debt, lien, pledge, encumbrance, charge or security interest in or on such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset, and (c) in the case of securities or other financial assets (as defined in the Uniform Commercial Code), any purchase option, call or similar right (including, without limitation, any adverse claim (as defined in the Uniform Commercial Code)) of a third party with respect to such securities.

“Lincoln Facility” shall mean the facility located at 100 Twin River Road, Lincoln, Rhode Island with the name “Twin River”.

“Liquor Authorities” shall mean, in any jurisdiction in which the Company or any of its Subsidiaries sells and distributes liquor, the applicable alcoholic beverage commission or other governmental authority responsible for interpreting, administering and enforcing the Liquor Laws, including, without limitation, the Alcoholic Beverage Control Division of the Mississippi Department of Revenue and the DBR, Division of Commercial Licensing.

“Liquor Laws” shall mean the laws, rules, regulations and orders applicable to or involving the sale and distribution of liquor by the Company or any of its Subsidiaries in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the applicable Liquor Authorities.

“Liquor License” shall mean, in any jurisdiction in which the Company or any of its Subsidiaries sells and distributes liquor, any license, permit or other authorization to sell and distribute liquor that is granted or issued by the applicable alcoholic beverage commission or other governmental authority responsible for interpreting, administering and enforcing the Liquor Laws.

“Loans” shall mean the Revolving Loans, the Swingline Loans and the Term Loans made under the Credit Agreement.

“Lottery Rules” means the “Rhode Island Lottery Rules and Regulations”, in effect from time to time.

“Management Agreement” shall mean any management agreement that may be entered into by the Company or any of its Subsidiaries with a third party manager for the operation and maintenance of a Gaming/Racing Property.

“Management Position” shall mean all positions with any management authority (including any position that involves the supervision of employees or is responsible for an area or any portion of the business of the Facility) within the Company and any of its Subsidiaries.

“Material Action” shall mean any action by the Board related to the change in composition of the Board or any other material action by the Board, including, without limitation, decisions regarding the issuance of securities or the incurrence of indebtedness by a Rhode Island Company, the guarantee by either Rhode Island Company of indebtedness of any other Person, decisions related to the employment and/or compensation of Persons holding Senior Executive Positions and decisions regarding material capital expenditures by a Rhode Island Company.

“Material Adverse Effect” shall mean (a) a materially adverse effect on the business, assets, operations, condition (financial or otherwise) or operating results of the Company and its Subsidiaries, taken as a whole or (b) a material impairment of the ability of the Company or any of its Subsidiaries to perform any of its obligations under this Agreement or any Credit Document to which it is or will be a party; *provided* that the reduction in revenue of the Company and its Subsidiaries due to the commencement and implementation of gaming activities in Massachusetts shall not be deemed to be a Material Adverse Effect.

“Material Agreement” shall mean any contract or agreement (a) that is a “material contract” (as such term is defined in Item 601(b)(10) of Regulation S-K promulgated by the SEC under the U.S. Securities Act of 1933, as amended), (b) contracts pursuant to which TRWH or any of its Subsidiaries is reasonably expected to incur obligations or liabilities to pay in excess of \$1,500,000 per annum, (c) any contract between a Rhode Island Company, on the one hand, and TRWH, TRMG or any of its Subsidiaries, on the other hand, (d) contracts to which TRWH or any of its Subsidiaries is a party with respect to which a breach, nonperformance, cancellation or failure to renew has had or would reasonably be expected to have a material adverse effect (i) on the financial condition or results of operations of (A) any Rhode Island Company individually or (B) TRWH and its Subsidiaries, taken as a whole, or (ii) on any Gaming/Racing License, and (e) any contract or agreement between TRWH and its Subsidiaries and any other Person with respect to any Joint Venture to which TRWH or any of its Subsidiaries is (or is proposed to be) a party.

“Maximum Leverage Ratio” shall mean 4.75:1; provided, however, that: (a) with respect to the six-month period commencing July 1, 2021 and ending December 31, 2021, upon not less than 90 days’ prior written notice (unless TRWH, the DBR and the Division agree otherwise following the delivery of such notice), the DBR and the Division shall be entitled, in their sole discretion, to reduce the Maximum Leverage Ratio applicable during such period (and all subsequent periods, subject to any further reductions pursuant to clause (y)) to 4.5:1 and (b) with respect to any quarterly period thereafter (commencing with the fiscal quarter ending March 31, 2022), on one or more occasions and, in each case, upon not less than 90 days’ prior written notice (unless TRWH, the DBR and the Division agree otherwise following the delivery of such notice), the DBR and the Division shall be entitled, in their sole discretion, to reduce the Maximum Leverage Ratio applicable during such period (and all subsequent periods) by 0.25:1 (for example, from 4.5:1 to 4.25:1), but in no event shall the Maximum Leverage Ratio be reduced below 4:1.

“Minimum Employee Number” shall have the meaning set forth in Section 7.5(f).

"Mortgages" shall mean an agreement, including, but not limited to, a mortgage, deed of trust or any other document, creating and evidencing a first Lien (subject only to the Permitted Liens) in favor of Collateral Agent on behalf of the Secured Parties on each Mortgaged Real Property (as defined in the Credit Agreement).

"Net Terminal Income" shall have the meaning set forth in Section 42-61.2(11) of the General Laws of Rhode Island, as amended from time to time.

"Newport Facility" shall mean the facility formerly known as the Newport Grand located at 150 Admiral Kalbfus Road, Newport, Rhode Island 02840.

"Newport Grand" means the former Newport Grand gaming facility located at the Newport Facility.

"Newport Lottery Licenses" means, collectively, (i) the lottery retailer license issued by the Division pursuant to Chapter 61 of Title 42 of the Rhode Island General Laws and the Lottery Rules promulgated thereunder and (ii) the video lottery retailer license issued by the Division pursuant to Chapter 61.2 of Title 42 of the Rhode Island General Laws and the Lottery Rules promulgated thereunder, in each case, associated with Newport Grand.

"Non-Recourse Capital Lease Obligations" shall mean any Capital Lease Obligations entered into in connection with one or more "sale-leaseback" transactions for which the Rhode Island Companies are not liable, either as a lessee connection therewith or a guarantor thereof.

"Pari-mutuel Facility" means any facility or venue offering, pari-mutuel betting and/or Simulcasts, and/or licensed pursuant to R.I. Gen. Laws §41-3.1-3 and/or R.I. Gen. Laws §41-7-3.

"Pari-mutuel Law" shall mean any law, statute or regulation governing or regulating pari-mutuel betting or Simulcasts in the State.

"PE II" shall have the meaning set forth in the Preamble hereto.

"Permitted Investments" shall mean:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of issuance thereof;

(b) investments in commercial paper maturing within 270 days from the date of issuance thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by,

the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000 and that issues (or the parent of which issues) commercial paper rated at least "Prime 1" (or the then equivalent grade) by Moody's or "A 1" (or the then equivalent grade) by S&P;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above; and

(e) investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above.

"Permitted Liens" shall have the meaning set forth in Section 7.6(e).

"Person" means a natural person, partnership (general or limited), corporation, limited liability company, business trust, joint stock company, trust, business association, unincorporated association, joint venture, governmental entity or other entity or organization.

"Premier Entertainment" shall mean Premier Entertainment Biloxi LLC, a Delaware limited liability company.

"Prior Agreement" shall have the meaning set forth in the Recitals.

"Prior Undertakings" shall mean all commitments listed on Exhibit H.

"Property" shall mean any right, title or interest in or to property or assets of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible and including all contract rights, income or revenue rights, real property interests, trademarks, trade names, equipment and proceeds of the foregoing and, with respect to any Person, Equity Interests or other ownership interests of any other Person.

"Qualified Capital Stock" shall mean, with respect to any Person, any Equity Interests of such Person which is not Disqualified Capital Stock.

"Restricted Payment" shall mean (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in TRWH, TRMG or any Subsidiary thereof, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in TRWH, TRMG or any Subsidiary thereof, (b) management, oversight or similar fees payable to any Affiliate of any of the Company and its Subsidiaries (in each case other than to the Company or any Subsidiary thereof), (c) any loan, advance or other Investment in any direct or indirect holder of any Equity Interest in TRWH, TRMG or any Subsidiary thereof (other than any such loans, advances or other Investments made to TRMG or any Subsidiary thereof), and (d) any payment or prepayment of principal of, premium, if any,

or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to any Indebtedness payable to any Affiliate of the Company or any of its Subsidiaries or any subordinated indebtedness (in each case other than to TRMG or any Subsidiary thereof).

“Restricted Subsidiary” shall mean all existing and future Subsidiaries of TRWH other than the Unrestricted Subsidiaries.

“Reverse Trigger Event” shall mean the transfer of Equity Interests of any Subsidiary or any Gaming/Racing Property from trust or other similar arrangement to TRWH or any of its Subsidiaries from time to time.

“Revolving Loans” shall mean (a) the revolving credit loans made by the Revolving Lenders identified in the Credit Agreement to TRWH pursuant to Section 2.01(a) of the Credit Agreement and (b) revolving loans made pursuant to any Incremental Commitments.

“Rhode Island Companies” and “Rhode Island Company” shall have the meaning set forth in the Preamble hereto.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

“Secured Parties” shall mean the Administrative Agent, the Auction Manager identified in the Credit Agreement, the Collateral Agent and/or any Lead Arrangers identified in the Credit Agreement, the Lenders identified in the Credit Agreement, any Person identified in the Credit Agreement that is party to a credit swap contract and any Cash Management Bank identified in the Credit Agreement that is a party to a secured cash management agreement.

“Security Agreement” shall mean the security agreement among the Credit Parties and Collateral Agent, as the same may be amended in accordance with the terms thereof and the Credit Agreement.

“Security Documents” shall mean the Security Agreement, the Mortgages, the Ship Mortgages (as defined in the Credit Agreement in effect on the Effective Date) and each other security document or pledge agreement, instrument or other document executed and delivered by a Credit Party to grant, pledge or perfect a security interest in any property acquired or developed that is of the kind and nature that would be required to constitute Collateral (as such term is defined in the Credit Agreement in effect on the Effective Date) on the Effective Date.

“Senior Credit Agreement” means the Credit Agreement or, if the Credit Agreement is refinanced or terminates, the principal senior credit facility of the Rhode Island Companies entered into in compliance with the terms of this Agreement, including Section 7.6.

“Senior Executive” shall mean an individual employed in a Senior Executive Position with TRWH, TRMG, UTGR or TRT.

“Senior Executive Position” shall have the meaning set forth in Section 4.4 of this Agreement.

“Significant Subsidiary” shall mean UTGR, any Subsidiary of UTGR, TRT, any Subsidiary of Premier Entertainment and any Subsidiary thereof that owns, operates, manages or conducts the hotel or gaming business at the Biloxi Property and any other Subsidiary of the Company that would constitute a “Significant Subsidiary” of the Company as such term as defined in Rule 1-02 of Regulation S-X promulgated by the SEC under the U.S. Securities Act of 1933, as amended.

“Simulcast” shall mean a live television broadcast of programs either interstate or intrastate to a licensee of a licensed facility, which programs are sanctioned or licensed in the state of origin.

“State” shall mean the State of Rhode Island.

“Subsidiary” shall mean, as to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% equity interest at the time. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of TRWH.

“Taxes” shall mean any and all present or future taxes, levies, imposts, duties, deductions, assessments, withholdings, fees or other charges of any nature (including interest, penalties and additions thereto) that are imposed by any Governmental Authority.

“Test Period” shall mean, for any date of determination, the period of the four most recently ended consecutive fiscal quarters of TRWH and its Restricted Subsidiaries for which quarterly or annual financial statements have been delivered or are required to have been delivered to Administrative Agent or have been filed with the SEC or are required to have been filed with the SEC.

“Term” shall have meaning set forth in Section 2.1 of this Agreement.

“Term Loans” shall mean (a) the term loans made pursuant to Section 2.01(c) of the Credit Agreement and (b) term loans made pursuant to any Incremental Commitments.

“Tiverton Casino” shall mean the casino built on the Tiverton Property.

“Tiverton Property” shall mean collectively, the property(ies) owned by TRT located at 777 Tiverton Casino Boulevard, Tiverton, Rhode Island.

"Tiverton VLT Contract" means the Master Video Lottery Terminal Contract by and between the Division and Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC), dated November 23, 2005, as amended, and as assigned to TRT, and as may be further amended from time to time.

"Total Debt" shall mean, at any time, the total Indebtedness of TRWH and its Restricted Subsidiaries at such time, excluding all (a) Indebtedness of the Colorado Subsidiaries that is not secured by any assets of the Company or its Subsidiaries (other than the Colorado Subsidiaries) and for which recourse is limited to the Colorado Subsidiaries and their assets and (b) any Non-Recourse Capital Lease Obligations.

"Transactions" shall mean, collectively, (a) the entry into the Credit Agreement and the other documents related thereto, (b) the issuance of the Bond Debt on May 10, 2019, and (c) the payment of fees and expenses in connection with the foregoing.

"Transfer Agreement" shall mean any trust or similar arrangement required by any Gaming/Racing Authority from time to time with respect to the Equity Interests of any Subsidiary (or any Person that was a Subsidiary) or any Gaming/Racing Property.

"Trigger Event" shall mean the transfer of shares of Equity Interests of any Subsidiary or any Gaming/Racing Property into trust or other similar arrangement required by any Gaming/Racing Authority from time to time.

"TRMG" shall have the meaning set forth in the Preamble hereto.

"TRWH" shall have the meaning set forth in the Preamble hereto.

"Twin River Casino" shall mean the Twin River Casino, located in Lincoln, Rhode Island.

"Unrestricted Subsidiaries" shall mean (a) as of the Effective Date, the Subsidiaries listed on Schedule 8.12(c) to the Credit Agreement (including the Colorado Subsidiaries), (b) any Subsidiary of TRWH designated as an "Unrestricted Subsidiary" pursuant to and in compliance with Section 9.12 of the Credit Agreement, and (c) any Subsidiary of an Unrestricted Subsidiary (in each case, unless such Subsidiary is no longer a Subsidiary of TRWH or is subsequently designated as a Restricted Subsidiary pursuant to the Credit Agreement).

"UTGR" shall have the meaning set forth in the Preamble hereto.

"Video Lottery Games" shall mean lottery games played on Video Lottery Terminals.

"Video Lottery Terminal" shall mean any electronic computerized video game machine that, upon the insertion of cash or voucher, is available to play a video game, and which uses a video display and microprocessors in which, by chance, the player may receive free games or credits that can be redeemed for cash; *provided* that this term shall not include a machine that directly dispenses coins, cash or tokens.

"VLТ Addback" shall mean, for any Test Period, the aggregate amount per annum of capital expenditures for video lottery terminal replacement or maintenance in or with respect to the Companies.

"VLТ Contract" shall mean that certain Master Video Lottery Terminal Contract, dated as of July 18, 2005, by and between the Division and UTGR, as amended, and as may be further amended from time to time.

Unless otherwise expressly provided herein, (a) references to organizational documents, agreements (including the Credit Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, in each case solely to the extent that such amendments, restatements, extensions, supplements and other modifications are entered into in compliance with the terms of this Agreement, (b) references to any law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law, (c) the word "including" means "including without limitation", (d) the word "or" is disjunctive but not exclusive, and (e) prior drafts of this Agreement will be disregarded.

2. Term and Termination; Effect of Termination; Effect of Agreement and Termination.

2.1 This Agreement shall be effective until terminated in accordance with Section 2.2 hereof (the "Term").

2.2 This Agreement shall terminate:

(a) upon written notice of such termination from DBR and the Division to the Company, which termination may be effected by DBR and the Division at any time acting in their sole discretion and in accordance with the laws of the State; or

(b) upon written notice from the Company to DBR and the Division in the event the Company shall no longer be involved in the ownership or management of both Facilities; *provided*, that, for the avoidance of doubt, any transfer or cessation of the business of either of the Facilities shall be subject to the requirements of the Pari-mutuel Laws and be subject to approval by DBR and the Division, as applicable, and, *provided, further*, in the event that the Company is no longer involved in the ownership or management of either one of the Facilities pursuant to a transaction permitted under this Agreement or as may be consented to by the DBR and the Division but remains involved in the ownership or management of the other Facility, only the provisions of this Agreement applicable to such Facility as to which the Company is no longer involved in the ownership or management shall terminate.

2.3 Without limitation to DBR's and the Division's regulatory authority and any remedies in law or in equity available to DBR and the Division (including, without limitation, as set forth in this Agreement), in the event of a termination of this Agreement by DBR and the Division pursuant to Section 2.2 hereof, DBR and the Division may, but shall not be obligated to, revoke either or both of the Rhode Island Companies' licenses

with regard to the applicable Facility in a manner consistent with the laws of the State. In addition, the existence of this Agreement and any termination of this Agreement shall not affect any liability of any of the parties that has accrued prior to the date of this Agreement or its termination or as a result of such termination or of the acts giving rise to such termination, including, without limitation, the liability of any party for any default by such party in the performance of its obligations under the Continuing Prior Undertakings (or, with respect to the Prior Undertakings other than the Continuing Prior Undertakings, for any default prior to July 1, 2016), the Prior Agreement or this Agreement, nor shall it affect the coming into force or continuance in force of any provision of this Agreement which is expressly intended to continue in force on or after such termination. Sections 1, 2, 8 and 9 hereof shall survive any termination of this Agreement. Termination of this Agreement shall in no way act as a basis to affect the ongoing business of any Facility. The Lincoln Facility shall continue in business unless UTGR's license(s) have been suspended or revoked or UTGR is otherwise limited by an order of the DBR or the Division and the Tiverton Casino shall continue in business unless TRT's license(s) have been suspended or revoked or TRT is otherwise limited by an order of the DBR or the Division. Subject to Section 3 hereof, for the avoidance of doubt, the regulatory authority of the DBR and the Division under applicable laws and regulations of the State in respect of the licensing of directors, officers or owners of TRWH, and in respect to any change in control of TRWH, shall not be affected hereby and shall apply independently of the terms hereof or any compliance or non-compliance with the terms hereof, the terms and conditions required by the DBR and the Division in connection with their approval of a change of control and any acquirer of TRWH to be determined by them in light of the circumstances then presented.

2.4 This Agreement shall be effective on the Effective Date and supersedes in its entirety the Prior Agreement on a prospective basis from and after the Effective Date; *provided, however*, that in no event shall (a) the Continuing Prior Undertakings be deemed to be suspended (and such Continuing Prior Undertakings shall continue in accordance with their terms), (b) the existence or operation of this Agreement relieve any of the Rhode Island Companies from liability or otherwise affect the rights of DBR or the Division for any (i) prior breach by the Company of the Prior Agreement or any of the Continuing Prior Undertakings or (ii) breach by the Company prior to July 1, 2016 of the Prior Undertakings (other than the Continuing Prior Undertakings), and (c) subject to clause (b), the Leverage Ratio shall be calculated in accordance with this Agreement for any period after June 30, 2019.

3. Ownership of the Rhode Island Companies.

3.1 Attached as Exhibit A hereto is a table indicating all Persons who, to the Company's Knowledge as of the Effective Date, hold a 5% or greater direct or indirect equity Financial Interest in each Rhode Island Company and the amount of such equity Financial Interest as of such date. In the event the Company acquires Knowledge that (i) any Person holding a direct or indirect Financial Interest in either of the Rhode Island Companies proposes to change its holding from below 5% of the total of any class of Financial Interests in such Rhode Island Company to 5% or more (but, in all cases, less than the Control Threshold) or (ii) any Person holding a 5% or more direct or indirect

Financial Interest in either of the Rhode Island Companies increases its holding by more than 1% of the total of any class of Financial Interests in such Rhode Island Company (but, in all cases, less than the Control Threshold), the Company shall, within three (3) Business Days of acquiring Knowledge of any such change or proposed change, notify DBR and the Division and, subject to the review and approval process set forth below in Sections 3.2 and 3.3 hereof, as applicable, update Exhibit A hereto and deliver such updated exhibit to DBR and the Division. The Company shall use best efforts to monitor changes in the ownership of direct or indirect Financial Interests in the Rhode Island Companies based on publicly reported information and other information reasonably available to it.

3.2 Pursuant to the organizational documents of TRWH, TRMG, UTGR and TRT, any purported direct or indirect transfer of Financial Interests that purports to result in a Person acquiring 5% or greater of the total of any class of Financial Interests in such entity shall be null and void and shall not be recognized by the applicable entity unless and until (A) such Person shall have received a written approval from DBR and the Division and/or been approved as suitable by DBR and the Division to hold such Financial Interest or (B) such Person has received a prior written notice from the applicable Governmental Authorities (including DBR and the Division) that such Person is not required to hold a license from DBR and the Division and/or be approved as suitable by DBR and the Division to hold such Financial Interest (the "5% Transfer Restriction"). TRWH, TRMG, UTGR and TRT shall maintain the 5% Transfer Restriction in their respective organizational documents so as to prohibit any Person from acquiring a 5% or greater direct or indirect Financial Interest in any class of Financial Interests in either of the Rhode Island Companies unless such Person shall have first obtained written approval from DBR and the Division making a determination of suitability to hold such direct or indirect Financial Interest in such Rhode Island Company in accordance with the rules and procedures set forth by DBR and the Division in their sole discretion from time to time; *provided, however*, that, notwithstanding any provision of any organizational documents of TRWH, TRMG, UTGR or TRT, the 5% Transfer Restriction shall not apply with respect to a change in the percent of class of Financial Interests held by a Person that (x) results solely from a decrease in the aggregate number of Financial Interests in such class of Financial Interests outstanding as a result of stock repurchases by the Company pursuant to a repurchase plan or program and (y) does not result in such Person acquiring a 6% or greater direct or indirect Financial Interest in any class of Financial Interests in any of the Rhode Island Companies.

3.3 Pursuant to the organizational documents of TRWH, TRMG, UTGR and TRT, once a Person has obtained approval from DBR and the Division to hold a 5% or greater Financial Interest in either Rhode Island Company (if required), any purported transfer of Financial Interests in any of such entities that purports to result in a Person acquiring a direct or indirect Financial Interest in any class of Financial Interests in such Rhode Island Company equal to or in excess of the Control Threshold shall be null and void and shall not be recognized by the applicable entity unless (A) such Person shall have first obtained written approval from DBR and the Division making a determination of suitability to hold such Financial Interest in such Rhode Island Company equal to or in excess of the Control Threshold in accordance with the rules and procedures set forth by

DBR and the Division in their sole discretion from time to time or (B) such Person has received prior written notice from the applicable Governmental Authorities (including the DBR and the Division) that such Person is not required to obtain written approval from DBR and the Division (the "Control Threshold Transfer Restriction"). TRWH, TRMG, UTGR and TRT shall maintain the Control Threshold Transfer Restriction in their respective organizational documents.

3.4 With respect to any Person that has been approved by the DBR as an "Institutional Investor," if the Company acquires Knowledge that such Institutional Investor seeks to increase its direct or indirect Financial Interest in any class of Financial Interests in either of the Rhode Island Companies in excess of the requirements and restrictions applicable to such Person in connection with its approval as an "Institutional Investor," the Company shall use all efforts within its control to not permit such increase unless such Person shall have first obtained written approval from DBR and the Division making a determination of suitability to hold such direct or indirect Financial Interest in such Rhode Island Company in accordance with the rules and procedures set forth by DBR and the Division in their sole discretion from time to time; *provided, however*, that written approval from DBR and the Division shall not be required with respect to a change in the percent of class of Financial Interests held by a Person that (x) results solely from a decrease in the aggregate number of Financial Interests in such class of Financial Interests outstanding as a result of stock repurchases by the Company pursuant a repurchase plan or program and (y) to the extent that such Person would hold 15% or more of an outstanding class of Financial Interests in either of the Rhode Island Companies following such stock repurchases, does not result in the percent of class of Financial Interests in either of the Rhode Island Companies held directly or indirectly by such Person increasing by an amount equal to 1% or more of the outstanding class of Financial Interests (after giving effect to such repurchases). Pursuant to the Bylaws of TRWH, any transfer of Financial Interests in violation of the Gaming Laws (as defined therein) will be void until (a) TRWH ceases to be subject to the jurisdiction of the applicable Gaming Authority (as defined therein) or (b) the applicable Gaming Authority, by affirmative action, validates such transfer or waives any defect in such transfer. As a result, any transfer of indirect or direct Financial Interests in any Rhode Island Company that results in the Company acquiring Knowledge that a Person that has been approved by the DBR as an "Institutional Investor" increasing its ownership of direct or indirect Financial Interest in any class of Financial Interests in such Rhode Island Company by an amount in excess of the requirements and restrictions applicable to such Person in connection with its approval as an "Institutional Investor" (other than an increase in the percent of class of Financial Interests held by a Person that (x) results solely from a decrease in the aggregate number of Financial Interests in such class of Financial Interests outstanding as a result of stock repurchases by the Company pursuant to a repurchase plan or program or (y) to the extent that such Person would hold 15% or more of an outstanding class of Financial Interests in any Rhode Island Company following such stock repurchase, does not result in the percent of class of Financial Interests in any of the Rhode Island Companies held directly or indirectly by such Person increasing by an amount equal to 1% or more of the outstanding class of Financial Interests (after giving effect to such repurchases)) shall be null and void and shall not be recognized by any Rhode Island Company or the Company, as the case may be, unless and until such

Person shall have received written approval making a determination of suitability from DBR and the Division with respect to such increase.

3.5 The parties acknowledge that any transactions purporting to be acquisitions of Financial Interests in TRWH, TRMG, UTGR and/or TRT that are null and void pursuant to the applicable entity's organizational documents shall not be considered acquisitions of Financial Interests in TRWH, TRMG, UTGR and/or TRT for purposes of this Agreement. For the avoidance of doubt, the DBR and the Division shall be entitled to consider in making the determination of the "suitability" of a Person for any purpose under this Agreement, including, to (i) hold a 5% or greater direct or indirect Financial Interest in either Rhode Island Company or (ii) hold a direct or indirect Financial Interest in any class of Financial Interests in either Rhode Island Company equal to or in excess of the Control Threshold, the Competitive Activities of such Person (assuming the definition of "Competitive Activities" is defined by reference to any jurisdiction or geographic location in which the Company or any of its Subsidiaries owns, manages or operates a Gaming/Racing Property). The DBR and the Division will promptly notify the Company of any approval described in this Section 3 and the material terms and conditions of any such approval.

3.6 The Company shall maintain (a) subsection (l), Article Fourth of UTGR's Certificate of Incorporation (as amended on July 10, 2014, the "UTGR Certificate of Incorporation"), (b) section 12 of the Third Amended and Restated Operating Agreement of TRT (in the form attached as Exhibit G hereto, the "TRT Operating Agreement"), (c) section 4.07 of TRWH's Certificate of Incorporation (as amended February 14, 2011, the "TRWH Certificate of Incorporation"), and (d) subsection (5), Article Fourth of the TRMG Certificate of Incorporation (as amended July 10, 2014, the "TRMG Certificate of Incorporation") and shall not further amend or modify any of such sections without the prior written approval of DBR and the Division. The Company shall take all actions within its control necessary to enforce the aforementioned provisions of UTGR's, TRT's, TRWH's and TRMG's governing documents so as to prohibit any Person from transferring or acquiring a Financial Interest in UTGR, TRT, TRWH and/or TRMG, respectively, in violation of the aforementioned governing document provisions of those entities and/or the requirements and restrictions applicable to such Person, and shall promptly provide written notice to the DBR and the Division of any such actions taken by the Company.

3.7 The Company shall provide, or cause to be provided, to the DBR and the Division, (x) promptly following the end of each fiscal quarter (but no later than five (5) Business Days following the end of such fiscal quarter), (y) promptly following any stock repurchase by the Company pursuant to a repurchase plan or program (but no later than five (5) Business Days following such the date of such repurchase), and (z) promptly following any more frequent request by the DBR of the Division (but no later than five (5) Business Days following such request), a list setting forth, to the Company's Knowledge (based on publicly reported information and other information reasonably available to it, including the results of any "broker searches" conducted by it), the stockholders owning (whether beneficially or directly) more than 5% of the equity Financial Interests of TRWH (or, if either of UTGR or TRT is no longer the indirect wholly owned subsidiary of TRWH, a list setting forth, to the Company's Knowledge, the stockholders of any successor

Person or Persons that hold, directly or indirectly, equity interests or other direct or indirect equity Financial Interests in UTGR and/or TRT). In connection with its obligations in the preceding sentence, the Company shall use commercially reasonable efforts to obtain such information from any applicable transfer agent or other Person charged with recording or maintaining such information, and the Company shall, conduct “broker searches” in the manner contemplated by Rule 14a-13 promulgated by the SEC under the Securities Exchange Act of 1934, as amended, no less frequently than quarterly and, in connection with the stockholder list delivered pursuant to clause (x) of this Section 3.7, include a certification that such “broker searches” were conducted in accordance with the terms hereof.

3.8 The Company shall provide, or cause to be provided, to the DBR and the Division, promptly following the written request of the DBR or the Division access at a place and time requested by the DBR and the Division to a list of Person or Persons that (a) are lenders under the Credit Agreement, along with the amount of indebtedness thereunder held by such Person or Persons, and (b) hold, directly or indirectly, Financial Interests in either Rhode Island Company constituting Indebtedness secured by the Facility or Equity Interests in either Rhode Island Company. In connection with its obligations in the preceding sentence, the Company shall use commercially reasonable efforts to obtain such information from any applicable administrative agent, transfer agent or other Person charged with recording or maintaining such information.

4. Management and Officers.

4.1 The Rhode Island Companies shall each have a board of directors (with respect to the applicable Rhode Island Company, the “Board”) that shall be responsible for the management of such Rhode Island Company. Members of each Board shall be subject to licensing by DBR and approval by the Division pursuant to its statutory and regulatory authority, which license may be issued by DBR and which approval may be granted by the Division in accordance with the rules and procedures established by DBR and the Division from time to time. The names of the current Board members are set forth on Exhibit B hereto. In the event of any proposed change in the composition of either Board, the Company shall, within three (3) Business Days prior to such proposed change or first acquiring Knowledge of such proposed change (whichever is earlier), notify DBR and the Division of such proposed change. The Company shall also notify DBR and the Division regarding any proposed Material Action by either Board three (3) Business Days prior to any such proposed action. Upon request, the Company shall provide DBR and the Division with an opportunity to inspect at the Company’s offices or at DBR’s or the Division’s offices (the location to be at the discretion of DBR and the Division) any minutes or resolutions of the applicable Board as well as any documents provided to such Board in connection with the execution of their management responsibilities with regard to the applicable Rhode Island Company. Subject to the licensing authority of DBR and the general statutory and regulatory authority of the Division to operate and control the Facilities and Section 4.2 hereof, the applicable Board may delegate certain management responsibilities to officers and other managers of the Company.

4.2 Attached as Exhibit C hereto is a detailed description of the organizational structure and the management structure of the Company in effect as of the Effective Date indicating (a) TRWH and each of its Subsidiaries and (b)(i) all Management Positions at the Company of director level (e.g., director of a business area or function) and higher, (ii) a description of the scope of authority and duties involved in each Management Position, and (iii) a description of to whom each Management Position reports within the management structure of the Company. Exhibit C shall also include the name of each Person who holds each Management Position as of the Effective Date. Subject to the licensing authority of DBR and the Division's statutory and regulatory authority to operate and control the Facilities, in the event of any change or proposed change in personnel, management structure, scope of employee authority or duties, or reporting lines of the Company and its Subsidiaries that would require a modification of Exhibit C, the Company shall notify DBR and the Division in writing within three (3) days of such proposed change or first acquiring Knowledge of such proposed change (whichever is earlier).

4.3 The Company shall at all times employ a compliance officer (the "Compliance Officer") who shall be subject to application and licensure process of the DBR and approval by the Division. The parties hereto acknowledge and agree that the Company is in the process of hiring a new Compliance Officer, and such new Compliance Officer shall be hired as promptly as practicable following the date of this Agreement, but no later than January 1, 2020 (or such later date as the DBR and the Division may approve, such approval not be unreasonably withheld, conditioned or delayed provided that the Company is acting in good faith in diligently pursuing such hiring). The Compliance Officer shall have those responsibilities set forth on Exhibit D hereto ("Duties and Responsibilities of Compliance Officer") and shall as promptly as practicable report to the DBR and the Division in writing any instances of noncompliance known to the Compliance Officer, after due inquiry, with the terms of this Agreement or noncompliance with any Rhode Island statutory or regulatory requirements by the Company. Without limiting the responsibilities of the Compliance Officer set forth on Exhibit D hereto, the Compliance Officer shall be required to: (i) monitor compliance by the Company with all applicable Rhode Island laws and regulations and compliance with all terms of the Regulatory Agreement (including the Code of Business Conduct and Ethics set forth on Exhibit F hereto), the VLT Contract and the Tiverton VLT Contract, (ii) serve as a liaison between the Company, on the one hand, and the DBR and the Division, on the other hand, with respect to the foregoing, and (iii) on a quarterly basis, review the employees, vendors, personnel and other service providers with respect to each Facility who are subject to licensing by DBR and approval by the Division pursuant to its statutory and regulatory authority and shall promptly report within five (5) calendar days to the DBR and the Division in writing any noncompliance or failure of such employees, vendors, personnel or other service providers to be licensed in accordance with applicable statutory or regulatory requirements. Further, the Compliance Officer shall be made reasonably available to promptly respond to information requests from the DBR and the Division (including pursuant to Section 6) and provide reports to DBR and the Division in writing, as requested by the DBR or the Division, and on a regular basis, but no less than semi-annually, regarding compliance with (a) all applicable laws and rules and regulations; (b) this Agreement (including the Code of Business Conduct and Ethics set forth on Exhibit F hereto); (c) the VLT Contract; (d) the Tiverton VLT Contract; and (e) all

applicable decrees and orders of any Governmental Authority. In addition to the responsibilities of the Compliance Officer set forth on Exhibit D, he/she shall be responsible for implementing a written compliance protocol, which includes a process for verification, monitoring and action plan pertaining to, compliance with (a)-(e).

4.4 As used herein, a “Senior Executive Position” shall mean any Person deemed by the DBR and/or the Division, in their sole discretion, to be in a Management Position or otherwise in a decision-making or control capacity with regard to the Facilities or the Company regardless of such Person’s position or title. The DBR and the Division reserve the right to review from time to time as it deems necessary in their sole discretion the functional duties and responsibilities of any Person and determine whether such Person is assuming duties that constitute a decision-making or control capacity.

4.5 Without limiting any other term of this Agreement, the Rhode Island Companies shall, and the Company shall cause the Rhode Island Companies, at all times, to, employ a management team to occupy each Management Position for each Facility in accordance with the provisions of this Section 4.5. The structure of, and Management Positions included in, such management team for each Facility shall be subject to the prior approval of the DBR and the Division, and the individuals filling the Management Positions included in such management team for each Facility shall be subject to licensure by the DBR and approved by the Division. Each Person that occupies a Management Position of either Facility will be required to devote his/her primary time and attention to such Facility in order to fulfill the fiduciary duty of the Company to protect the revenue stream of the State and the Facility and manage the Facility in a manner substantially consistent with a first class gaming facility located elsewhere in the United States pursuant to regulations duly adopted pursuant to state law. Each of TRWH and TRMG acknowledges that its respective directors and officers are obligated to exercise their respective fiduciary or equivalent duties in accordance with applicable law, including to ensure that TRMG’s officers oversee the management of each Facility, including the management team for each Facility, with due care and as fiduciaries.

4.6 The Company shall use reasonable commercial efforts to ensure that all officers, directors, key employees and other individuals in a management role of TRWH, TRMG, UTGR and TRT be competent and suitable for their respective role, and shall cause such individuals to fulfill their duties as contemplated hereby.

5. Competitive Activities; Related Party Transactions.

5.1 The Company confirms that (a) its fiduciary duty includes protecting the revenue stream of the State and the Facility, (b) any Competitive Activity that may affect that revenue is detrimental to the State, the Facility, UTGR, TRT, TRMG and TRWH, and (c) it shall cause UTGR and TRT to conduct the business of the applicable Facility in a manner consistent with fulfilling the foregoing obligations.

5.2 The Company and its Subsidiaries, and the respective directors, officers and management personnel of the Company and its Subsidiaries, shall not engage in any

Competitive Activities. The Company shall immediately notify DBR and the Division in writing upon acquiring Knowledge of:

(a) any instances in which any directors, officers or other employees of the Company or its Subsidiaries have engaged or intend to engage in Competitive Activities;

(b) any transaction or series of related transactions, directly or indirectly, between the Company or any of its Subsidiaries, on the one hand, and any director, officer or other employee of the Company or any of its Subsidiaries, on the other hand, other than customary compensation arrangements (whether in the form of cash, equity awards or customary benefit plans), expense reimbursement, director and officer insurance coverage and/or indemnification arrangements (and related advancement of expenses);

(c) any other transaction or series of transactions involving any director, officer or other employee of the Company or any of its Subsidiaries that could conflict with such director's, officer's or other employee's fiduciary, employment or other duties to the Company or any of its Subsidiaries; or

(d) any instances in which a holder of 5% or greater of any class of direct or indirect Financial Interest in either Rhode Island Company engages in, or proposes to engage in, Competitive Activities.

The Company shall provide in writing all information requested by DBR and the Division in connection with the occurrence of any of the events described in clauses (a) through (d) above.

5.3 The Company shall use best efforts to monitor whether any director, officer, other employee or 5% or greater holder of any class of direct or indirect Financial Interest of either Rhode Island Company and its Subsidiaries engages in any of the activities described in clauses (a) through (d) of Section 5.2. Said monitoring should be incorporated into any compliance protocols and reported to the DBR and the Division. In the event any director, officer or any other employee of the Company or its Subsidiaries engages in any of the activities described in clauses (a) through (d) of Section 5.2, the Company shall immediately notify DBR and the Division of the activity in writing and all steps taken to correct the issue and protect the interests of the State. Upon any notification to the DBR and the Division of any such activities by the Company or its directors, officers, or other employees, in addition to any other remedy in law or equity that protects the interests of the State, each of the DBR and the Division may take regulatory action including (a) the suspension or revocation of the pari-mutuel facility license and/or permit to conduct Simulcasts in a manner consistent with the laws of the State, (b) suspension or revocation of any other license at issue in connection with such activities in a manner consistent with the laws of the State, and/or (c) imposition of a monetary penalty in accordance with the terms set forth herein. Upon the request of the DBR or the Division, the DBR and/or the Division shall have the right to cause TRWH to convene a meeting of its board of directors at which representatives of the DBR and/or the Division may attend for the purpose of discussing the appropriate disciplinary action

to be taken by the Company with respect to any engagement by any director, officer or other employee of the Company or any of its Subsidiaries in any of the activities described in clauses (a) through (d) of Section 5.2, which disciplinary action may include the termination or resignation of any directors, officers or other employees who have engaged or propose to engage in such activities.

6. Access to Information.

6.1 From and after the Effective Date, at the request of DBR or the Division or as otherwise delineated below, the Company shall comply with the following reporting obligations:

(a) Quarterly Financial Statements: As soon as practicable, and in any event within sixty (60) days after the close of each of the first three fiscal quarters of each fiscal year of the Company or, if earlier, the date TRWH files its Quarterly Report on Form 10-Q with the SEC, the Company shall deliver to the DBR and the Division a consolidated and consolidating balance sheet and statement of income and a consolidated statement of cash flows of TRWH as at the close of such quarter and covering business for such quarter and the portion of TRWH's fiscal year ending on the last day of such quarter, all in detail and prepared in accordance with GAAP, subject to audit and year-end adjustments, setting forth in each case in comparative form the figures for the comparable period of the previous fiscal year; provided, that the materiality threshold applicable to any Rhode Island Company in connection with the preparation of such financial statements shall be the materiality standard that would be applicable to the Rhode Island Companies on a combined basis if such financial statements were prepared with respect to such Subsidiary on a stand-alone combined basis. The Company shall also provide comparisons of each pertinent item to the budget referred to in Section 6.1(c) below. The quarterly report pursuant to this Section 6.1(a) shall also include a summary of the Company's Leverage Ratio calculated in accordance with the terms of this Agreement in the form attached as Exhibit E; provided that, for the avoidance of doubt, the quarterly report with respect to the fiscal quarter ended September 30, 2019 (and subsequent periods) shall be calculated in accordance with the terms of this Agreement. This reporting requirement may be suspended or reinstated by DBR and the Division, at their discretion, at any time during the course of this Agreement; *provided, however*, that any such suspension or reinstatement must be in writing.

(b) Annual Statements: As soon as practicable after the end of each fiscal year of the Company, and in any event within 120 days thereafter or, if earlier the date on which TRWH files its Annual Report on Form 10-K with the SEC, the Company shall deliver to DBR and the Division duplicate copies of consolidated and consolidating balance sheets, statements of income and stockholders equity and a consolidated statement of cash flows of TRWH at the end of such year and covering business for such year, setting forth in comparative form the figures for the previous fiscal year, all in detail and prepared in accordance with GAAP; provided, that the materiality threshold applicable to any Rhode Island Company in connection with the preparation of such financial statements shall be the materiality standard that would be applicable to such

Subsidiary if such financial statements were prepared with respect to such Subsidiary on a stand-alone basis.

Such financial statements provided pursuant to this Section 6.1(b) shall be audited and accompanied by an opinion thereon of independent certified public accountants of recognized national standing selected by the Company in accordance with NYSE listing requirements (or, in the event that the Company is not listed on the NYSE or another national securities exchange, satisfactory to the DBR and the Division), which opinion shall state that such financial statements fairly present in all material respects the financial position of the Company and its Subsidiaries on a consolidating and consolidated basis and have been prepared in accordance with GAAP (except for changes in application in which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with United States generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances, and the Company shall also provide comparisons of each pertinent item to the budget referred to in Section 6.1(c) below.

(c) Business Operating Plan; Projections: No later than forty-five (45) days after the commencement of each fiscal year of the Company, the Company shall provide DBR and the Division with an opportunity to inspect at the Company's offices or the DBR's or the Division's offices (the location to be at the discretion of the DBR and the Division), an annual business operating plan setting forth the anticipated strategic business activities, including any marketing and promotional activities, and goals, including an expected consolidated budget, of the Company and its Subsidiaries and projections of consolidated revenue, expenses and cash position, prepared on a monthly basis, and a three (3) year business operating plan setting forth the anticipated strategic business activities and goals, including an expected consolidated budget, of the Company and its Subsidiaries and projections of consolidated operating results. Within ninety (90) days of the close of each semiannual fiscal period of the Company, the Company shall provide DBR and the Division with a similar opportunity to inspect an update of such monthly projections. Such business plans, projections and updates shall contain such substance and detail and shall be in such form as requested by DBR and the Division.

(d) Audit Reports: Promptly upon receipt thereof, the Company shall provide DBR and the Division with an opportunity to inspect at the Company's offices or the DBR's or the Division's offices (the location to be at the discretion of the DBR and the Division) one copy of each other financial report and internal control letter submitted to the Company and its Subsidiaries by independent accountants (and management's responses thereto or other correspondence) in connection with any annual, interim or special audit made by them of the books of the Company or any of its Subsidiaries.

(e) Other Information: The Company shall deliver or make available for inspection (as determined by the DBR and the Division in their discretion) such other information as DBR and the Division may request.

6.2 Additional Reporting Obligations. The Company shall provide to DBR and the Division:

(a) copies of all notices, reports or other information given to its lenders or shareholders at the same time such reports or other information are made available to such parties, including all notices, reports or other information provided to (i) its lenders under that certain Credit Agreement, dated as of May 10, 2019 (as amended, amended and restated, refinanced, replaced, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement, the "Credit Agreement"), by and among TRWH, certain subsidiaries of TRWH party thereto, the lenders party thereto, and Citizens Bank, N.A., as administrative agent and collateral agent and (ii) any holders of any Bond Debt of the Company or any trustee with respect thereto;

(b) copies of (i) all notices, reports and filings made by the Company and its Subsidiaries with regulatory authorities, including all Gaming/Racing Authorities and the SEC, in jurisdictions other than the State, (ii) any notice or reports delivered to the Company or any of its Subsidiaries by regulatory authorities, including all Gaming/Racing Authorities and the SEC, in jurisdictions other than the State, and (iii) any other communications between the Company and its Subsidiaries and regulatory authorities, including all Gaming/Racing Authorities and the SEC, in other jurisdictions, in each case to the extent permitted by applicable law. The Company agrees to provide DBR and the Division with a release in a form requested by DBR and the Division to directly obtain any and all information it deems necessary from other jurisdictions;

(c) (i) reasonable advance written notice of its intention to execute and deliver a Material Agreement (or a renewal, amendment or modification thereof) (A) as to which the Company intends to make a public announcement or (B) which is entered into by the Company outside the ordinary course of business, in each case, at least five (5) Business Days prior to entering into any such Material Agreement, renewal, amendment or modification (enclosing in such notice a copy of the then current drafts of all material documentation related to such Material Agreement, renewal, amendment or modification; *provided*, that the DBR and the Division shall not publicly disclose the terms of any Material Agreements that are otherwise confidential unless disclosed under R.I. Gen. Laws 38-2-1, *et seq.* (Access to Public Records Act) or otherwise required by applicable law or court order or other legal process; *provided, further*, that to the extent the Company provides notice to the DBR and the Division prior to the entry of any Material Agreement (or a renewal, amendment or modification thereof) and does not enclose a copy of the then-current drafts of all material documentation related thereto, the Company shall in such notice provide the contact information (including a telephone number) for a representative of the Company who can be contacted by the DBR and the Division via telephone to discuss the contents of such notice, the reason for the failure of the Company to enclose a copy of the then-current drafts of all material documentation related thereto and the procedures pursuant to which the DBR or the Division may review the then-current drafts of such material documentation); *provided even further*, that the Company acknowledges and agrees that it shall not, and it shall cause its Subsidiaries to not, enter into a confidentiality agreement with any Person that would restrict the ability of the Company to comply with its obligations under this Section 6.2(c), (ii) promptly following

execution thereof (but not later than two (2) Business Days thereafter), copies of any Material Agreement entered into by the Company (or a renewal, amendment or modification thereof) other than a Material Agreement of the type referred to in the foregoing clause (i)(A) or (B), and (iii) upon and after such notice or delivery, as applicable, such information regarding the Material Agreements referred to in the foregoing clauses (i) and (ii), renewal, amendment or modification thereof, as the DBR and the Division shall reasonably request;

(d) written notice at least five (5) Business Days prior to the adoption of any action by the Board or the applicable board of directors or equivalent governing body of the Company or any of its Subsidiaries approving the undertaking of any proposed change to the corporate or organizational structure of the Company and its Subsidiaries (including material amendments to any certificate of incorporation, bylaws, operating agreement, limited partnership agreement, certificate of formation or other similar document of the Company or any of its Subsidiaries and the formation, creation or acquisition by the Company or its Subsidiaries of any direct or indirect Subsidiary);

(e) written notice at least five (5) Business Days prior to (i) any Material Action, (ii) the entry by the Company and its Subsidiaries into any transaction providing for the sale, lease, pledge, assignment, transfer or other disposition of any material portion of the assets of the Company or any of its Subsidiaries, (iii) any merger, consolidation or other combination involving the Company or any of its Subsidiaries, (iv) any acquisition by the Company or any of its Subsidiaries, by purchasing all or a substantial portion of the assets or stock of, or by any other manner, any business or any corporation, partnership, joint venture, limited liability company, association or other business organization or division thereof or any material assets, except purchases of supplies in the ordinary course of business, (v) any other transaction that has or is reasonably likely to have a material effect on the financial condition or results of operations of (A) either Rhode Island Company individually or (B) the Company and its Subsidiaries, taken as a whole, and (vi) the authorization by the Company or any of such Subsidiaries of, or the entry by the Company or any of such Subsidiaries of, any agreement with respect to any of the foregoing matters;

(f) written notice promptly following the occurrence of any event that, to the Knowledge of the Company, would reasonably be expected to have a material adverse effect on the financial condition or results of operations of (x) either Rhode Island Company individually or (y) the Company and its Subsidiaries, taken as a whole;

(g) written notice promptly following the occurrence of any event that, to the Knowledge of the Company, would reasonably be expected to have a material adverse effect on any Gaming/Racing License; and

(h) an annual report to DBR and the Division including a signed certification (the "Compliance Report") making an affirmative representation that to the knowledge of the Company after due inquiry, the Company has satisfied/is in compliance with all of its obligations under (i) state laws, and rules and regulations all material respects; (ii) this Agreement; (iii) the VLT Contract; (iv) the Tiverton VLT Contract, and

(v) all applicable orders and decrees of any Governmental Authority all material respects. To the extent that the Company has not satisfied its obligations or is not in compliance with such obligations described above, then the Compliance Report shall set forth in reasonable detail the nature and extent to which it has not satisfied its obligations and/or is out of compliance and further shall provide a corrective action plan to come into compliance. The Compliance Report shall be filed with the DBR and the Division on or before March 1 of each year.

Notwithstanding the foregoing, if the Company determines in good faith that compliance with any of the provisions of clauses (b), (c), (d) or (e) of this Section 6.2 would (i) violate any contractual or legal obligation of the Company or (ii) involve the disclosure of (x) competitively sensitive information or (y) notices or other written communication to other Gaming/Racing Authorities in the ordinary course of business that do not relate to any violation or potential violation of Gaming/Racing Laws or investigation, the Company shall provide the DBR and the Division with reasonable access to such information at a place and time requested by the DBR and the Division.

6.3 Following the Effective Date, the Company shall provide to the DBR and the Division a copy of all state or federal tax returns (or any amendment to a prior year return) that is filed following the Effective Date, in each case, promptly after the filing thereof. In connection with the delivery to the DBR and the Division of any such state or federal tax returns, the Company hereby consents (on behalf of TRWH, TRMG, UTGR, TRT and their respective Subsidiaries) to the DBR and the Division communicating or meeting with the Rhode Island Tax Administrator; *provided* that any information obtained from such communications or meetings shall be subject to the same confidentiality obligations that is required of the Rhode Island Division of Taxation. Following the Effective Date, within sixty (60) days of the filing by a Rhode Island Company (or any other entity or successor to such Rhode Island Company that is a taxpayer in the State in respect of the Facilities) of any income Tax return with the State, the Company shall provide to DBR and the Division a summary of all deductions and any other items included in such tax return resulting from operations outside of the State that were used to reduce the Taxes payable by such Rhode Island Company to the State.

6.4 The Company shall grant to DBR, the Division and their respective representatives access to all books, records, audit work papers, properties and personnel of the Company and its Subsidiaries (including related to the properties of the Company and its Subsidiaries), and shall permit DBR, the Division and their respective representatives to discuss the Company affairs, finances and accounts with the officers, managers, key employees and independent public accountants of the Company and its Subsidiaries or any of them (and by this provision the Company authorizes said accountants to discuss with DBR, the Division and their respective representatives the finances and affairs of the Company and its Subsidiaries), during regular daytime business hours of the Facilities, with advance notification and as often as may be requested by DBR and the Division.

7. Other Regulatory Compliance Covenants by the Company.

7.1 The Company (a) shall at all times comply and remain in compliance with, and shall cause its Senior Executives and directors and (b) shall use its best efforts to cause the owners of a direct or indirect Financial Interest of 5% or greater in any class of Financial Interests in each Rhode Island Company, to comply and remain in compliance, in all material respects, in each case, with: (i) all applicable requirements under all laws, statutes and rules and regulations applicable to the Companies and/or the Facilities; (ii) this Agreement; (iii) the VLT Contract; (iv) the Tiverton VLT Contract; and (v) all applicable decrees and orders of any Governmental Authority and Gaming/Racing Authority, as applicable.

7.2 The Company has adopted a “best practices” code set forth on Exhibit F hereto (“Code of Business Conduct and Ethics”), shall not amend or modify such code in any respect without the prior written approval of DBR and the Division and shall use best efforts to comply with such code in all material respects.

7.3 The Company agrees to submit to examinations by DBR and the Division of the business and management functions of the Facility.

7.4 The Company agrees that if a Gaming/Racing License applied for or granted to the Company or any of its Senior Executives or directors in another jurisdiction is suspended, revoked, withdrawn or denied, the Company shall immediately notify the DBR and the Division in writing upon acquiring Knowledge of such suspension, revocation, withdrawal or denial and shall provide all details as may be requested by DBR and the Division in connection with such suspension, revocation, withdrawal or denial. The Company agrees to provide DBR and the Division with a release in a form provided by DBR and the Division to directly obtain any and all information it deems necessary from other jurisdictions.

7.5 Each of TRWH, TRMG, UTGR and TRT covenants and agrees with the Division and the DBR that so long as this Agreement shall remain in effect, unless the Division and the DBR shall otherwise consent in writing (which determination shall be provided by the Division and the DBR as soon as reasonably practicable following receipt of any request in writing made by the Company in accordance with Section 9.5 for such consent and the Company’s providing all documentation and other information reasonably requested by the DBR and the Division in connection therewith), each of TRWH, TRMG, UTGR and TRT shall, and shall cause each of their Subsidiaries to:

(a) Existence; Compliance with Laws; Businesses and Properties. With respect to the Company and its Significant Subsidiaries:

- (i) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence; and
- (ii) Do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the

Gaming/Racing Licenses and Liquor Licenses and all other rights, licenses, leases, permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business except as would not have a Material Adverse Effect; comply in all material respects with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted except as would not have a Material Adverse Effect; and at all times maintain and preserve all property material to the conduct of such business and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

Without limiting the generality of the agreement set forth in this Section 7.5(a) the Company agrees that: (1) it shall, and shall cause its Subsidiaries to cause each Gaming/Racing Property to conduct the business, in all material respects, in accordance with all applicable Gaming/Racing Laws and all Gaming/Racing Licenses. The Company shall, or shall cause its Subsidiaries to, post all required bonds, if any, with any Gaming/Racing Authority as and in the amounts required under all applicable laws and (2) it shall make (or cause to be made) all filings required under applicable Gaming/Racing Laws, or in connection with any Gaming/Racing Licenses. The Company shall, or shall cause its Subsidiaries to, diligently and comprehensively respond to any inquiries and requests from the Gaming/Racing Authorities and promptly file or cause to be filed any additional information required in connection with any required filings as soon as practicable after receipt of requests therefor.

(b) Insurance. With respect to the Company and its Subsidiaries:

(i) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses operating in the same or similar locations, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it; and maintain such other insurance as may be required by law. At the inception of each policy of insurance referred to in this Section 7.5(b)(i) and periodically thereafter, the Division, in consultation with DBR, may reasonably require, with respect to each policy, specific policy limits, coverage, deductibles and insurer rating to ensure adequate coverage and reflect changing conditions affecting the Facility;

(ii) Deliver original or certified copies of each policy of insurance referred to in Section 7.5(b)(i) to the DBR and the Division. The Company and its Subsidiaries shall provide prompt written notice (but not later than two (2) Business Days thereafter) to the DBR and the Division of the cancellation, modification or non-renewal of any such policy of insurance, along with any proposed renewal or replacement policy. Within 30 days of inception of all such policies of insurance, the Company and its Subsidiaries shall deliver to the Division and the DBR final renewal or replacement policies, together with evidence satisfactory to the Division and the DBR of payment of the premium therefor;

(iii) If at any time the area in which any real property owned or leased by the Company or any of its Subsidiaries is located is designated (A) an area as having special flood hazards as described in the National Flood Insurance Act of 1968, obtain flood insurance in such total amount as the DBR and the Division may from time to time reasonably require, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time, or (B) a "Zone 1" area, obtain earthquake insurance in such total amount as the DBR and the Division may from time to time reasonably require; and

(iv) With respect to the Facility, carry and maintain comprehensive general liability insurance including the "broad form CGL endorsement" and coverage on an occurrence basis against claims made for bodily injury, death and property damage and personal and advertising injury and umbrella liability insurance against any and all claims, in no event for a combined single limit of less than that which is customary for companies in the same or similar businesses operating in the same or similar locations.

(c) Management and Maintenance of each Gaming/Racing Property. With respect to the Company and each of its Significant Subsidiaries, manage and maintain each Gaming/Racing Property (including all gaming equipment used at any Gaming/Racing Property that is owned or may be leased by any the Company or any of its Significant Subsidiaries) in a first-class manner (and in all material respects consistent with the manner in which such Gaming/Racing Property is operated and maintained as of the Effective Date), ordinary wear and tear and damage caused by casualty and condemnation excepted.

(d) Capital Expenditures. With respect to UTGR, with respect to each calendar year, to make capital expenditures for capital improvements to the Lincoln Facility in an aggregate amount at least equal to the greater of (i)(x) \$5,000,000 with respect to each calendar year (other than the calendar years ending December 31, 2020, December 31, 2021 and December 31, 2022) and (y) \$12,000,000 with respect to each

calendar year ending December 31, 2020, December 31, 2021 and December 31, 2022, *provided* that there was not a CapEx Shortfall Amount in the immediately preceding fiscal year, and (ii) following any calendar year during which there was a CapEx Shortfall Amount (as defined below), the sum of \$5,000,000 and the CapEx Shortfall Amount (such greater amount, as applicable, the “CapEx Amount”). With respect to any calendar year, upon the written approval of the Division and the DBR, UTGR may make annual capital expenditures in an amount of less than the applicable CapEx Amount for such calendar year, *provided* that the amount required to be expended during the succeeding calendar year on capital improvements to the Lincoln Facility shall be increased by the difference between (x) the applicable CapEx Amount for such calendar year and (y) the aggregate amounts actually expended on capital improvements to the Lincoln Facility during such fiscal year (such difference, with respect to a fiscal year, the “CapEx Shortfall Amount”). For the avoidance of doubt, there shall be no cap or other limitation on the amount that the CapEx Amount with respect to any calendar year may be increased as a result of a CapEx Shortfall Amount occurring in the preceding fiscal year. To the extent that the expenditures for capital expenditures to the Lincoln Facility exceed the CapEx Amount with respect to any calendar year ending December 31, 2020 or December 31, 2021, the Company may elect to apply all or a portion of such excess (not to exceed \$7,000,000 with respect to any calendar year) to the CapEx Amount for the succeeding calendar year. Without limiting the foregoing, to the extent that the expenditures for capital improvements to the Lincoln Facility exceed the CapEx Amount with respect to any calendar year, the Company may request that such excess be applied to the CapEx Amount for the succeeding calendar year, which approval shall be accepted or rejected by the DBR and the Division in their sole discretion. The Company shall provide DBR and the Division, on an annual basis and reasonably in advance of each calendar year, with a copy of its budget for capital improvements to the Lincoln Facility and the Tiverton Casino for 2020, 2021 and 2022, and the DBR and the Division shall have the right to approve such budget, with such approval not to be unreasonably withheld, conditioned or delayed.

(e) Location of Executive Offices. Cause the executive offices of TRWH (or any direct or indirect parent thereof formed in any holding company reorganization by TRWH’s then-current shareholders not involving a change in control of TRWH or such parent entity) to be located in the State; *provided, however*, that in connection with any change in control of TRWH or such parent entity, TRWH or such parent entity, as applicable, shall use its best efforts to cause the executive officers of TRWH (or such parent entity) to continue to be located in the State following such change in control.

(f) Number of Employees. Notwithstanding, and in addition to, any requirements set forth in the VLT Contract and the Tiverton VLT Contract, respectively, over the course of each calendar year beginning with 2016, cause to be employed in Rhode Island at least 1,000 full-time equivalent employees (the “Minimum Employee Number”); *provided, however*, that the Minimum Employee Number shall increase by at least 200 in the first full year after the commencement of normal operations, if applicable, at the Tiverton Property.

7.6 The Company agrees that during the Term of this Agreement, unless the DBR and the Division shall have consented in writing (which determination shall be made

by the DBR and the Division as soon as reasonably practicable following receipt of any request in writing made by the Company in accordance with Section 9.5 for such consent to take any of the actions described below and the Company's providing all documentation and other information reasonably requested by the DBR and the Division in connection therewith), the Company shall not, and shall not permit any of its Subsidiaries to:

(a) Amendments to Credit Agreement and Credit Documents. Enter into (i) any amendment to, modification of or waiver of, in each case, any of the provisions of the Credit Agreement or any other Credit Document if such amendment, modification or waiver (A) increases the principal amount of the Loans to be made available under the Credit Agreement or other Credit Documents from that contemplated as of the Effective Date (and for the avoidance of doubt, the amount contemplated on the Effective Date includes the Incremental Commitments), or increases the interest rate or fees applicable thereto, (B) relaxes the requirements of Section 10.06 (Restricted Payments) of the Credit Agreement, or (C) changes any right or remedy available to Collateral Agent or any other Secured Party under any Security Document (it being understood that a forbearance or agreement to forbear by Collateral Agent, Administrative Agent and/or any other Secured Party from exercising remedies is not a change to any such provision) or (ii) any refinancing of the Credit Agreement in which a Lien is granted on the Facilities or the direct or indirect Equity Interests in UTGR or TRT or any other direct or indirect Financial Interest is granted.

(b) Indebtedness. Incur any additional Indebtedness (other than Revolving Loans, Non-Recourse Capital Lease Obligations or Indebtedness deemed to exist in connection with any bona fide Hedging Agreement entered into in good faith and in the ordinary course of business) that would result, after giving effect to the incurrence of such additional Indebtedness, in the Leverage Ratio exceeding the Maximum Leverage Ratio.

(c) Restricted Dividends and Distributions. During any period in which the Leverage Ratio of TRWH (determined on a pro forma basis after giving effect to such dividend or distribution described below) is greater than or equal to the Maximum Leverage Ratio, declare, set aside or pay any dividends on, or make any other distributions in respect of the Equity Interests of either Rhode Island Company, except for dividends or distributions of (i) amounts to the extent necessary to pay the portions of general corporate and overhead expenses of TRMG and TRWH (which amount allocated to the Rhode Island Companies will not exceed \$10,000,000 in the aggregate in 2019 and, for each calendar year thereafter, the amount allocated to (A) UTGR will not exceed the amount of the immediately preceding calendar year increased by the Adjustment Amount, and (B) any other Rhode Island Company other than UTGR will not exceed the product of (1) the sum of (a) Net Terminal Income for such Rhode Island Company *plus* (b) table games revenue for such Rhode Island Company *divided by* the sum of (c) Net Terminal Income for UTGR *plus* (d) table games revenue for UTGR *times* (2) the allowed management fee for UTGR for such calendar year; *provided*, that in no event shall the amount allocated to any other Rhode Island Company other than UTGR with respect to any calendar year exceed twelve percent (12%) of the amount allocated to UTGR in

respect of such calendar year) reasonably allocated to the Rhode Island Companies to represent each Rhode Island Company's proportionate share of such general corporate and overhead expenses based on the percentage of the aggregate revenues of TRMG and TRWH represented by such Rhode Island Company's revenues; *provided* that (x) such allocation methodology (the "Allocation Principles") and (y) the amounts allocated to the Rhode Island Companies with respect to any fiscal year, in each case, are acceptable to the outside accounting firm of TRWH, (ii) amounts actually payable by the Rhode Island Companies pursuant to the Tax Sharing Agreement as in effect on the Effective Date, (iii) amounts to pay any and all payment, indemnity, expenses or other obligations or liabilities under the Credit Agreement and the other Credit Documents, (iv) amounts not to exceed \$20,000,000 in the aggregate during the Term of this Agreement for the purpose of making investments in the Colorado Subsidiaries, and for expenses in connection with the Colorado gaming amendment referendum, in accordance with Section 7.6(f)(x)(b) of this Agreement, (v) (x) advances to employees and directors to pay amounts required to be paid by employees and directors upon exercise of equity awards granted pursuant to TRWH's incentive equity plan, and (y) amounts paid in settlement of management or director equity awards upon separation of service or expiration of the awards pursuant to TRWH's incentive equity plan, (vi) amounts not in excess of \$250,000 in the aggregate during the Term of this Agreement to TRMG for amounts necessary to repurchase Equity Interests or Indebtedness of TRMG or TRWH to the extent required by the Gaming/Racing Authorities for not more than the fair market value thereof in order to avoid the suspension, revocation or denial by the Gaming/Racing Authorities of a Gaming/Racing License; *provided*, that so long as such efforts do not jeopardize any such Gaming/Racing License, TRMG and TRWH shall have diligently and in good faith attempted to find a third-party purchaser(s) for such Equity Interests or Indebtedness and no third-party purchaser(s) acceptable to the Gaming/Racing Authorities was willing to purchase such Equity Interests or Indebtedness within a time period acceptable to the Gaming/Racing Authorities, and (vii) amounts, from UTGR to TRMG, necessary to allow TRT to pay costs, fees or expenses that are required to be paid in connection with the continued operation, maintenance and business of the Tiverton Casino (including the funding of operating expenses and capital expenditures) to the extent that TRT does not, as of such time, have sufficient cash on-hand to fund such costs, fees or expenses; *provided*, that immediately following the dividend or distribution of any amounts from UTGR to TRMG pursuant to this Section 7.6(c)(vii) such amounts are contributed to TRT for the purpose of paying such costs, fees or expenses.

(d) Related Party Transactions. Enter into any agreement, sell, transfer, loan or borrow any property or assets, purchase or acquire any property or assets, acquire equity interests or make an investment in, or otherwise engage in any transaction, in each case, between either or both of the Rhode Island Companies, on the one hand, and TRWH and its Subsidiaries or any of their respective Affiliates (other than such Rhode Island Company or Companies, as applicable), on the other hand; except, in each case, for: (i) transactions expressly provided by the Tax Sharing Agreement, *provided* that any such payments by the Rhode Island Companies thereunder are not prohibited pursuant to Section 7.6 (c) (ii) of this Agreement, (ii) transactions providing for dividends or distributions not prohibited under Section 7.6(c) of this Agreement, (iii) transactions contemplated by, and the entering into and performance obligations of the Company and

its Subsidiaries under, the Credit Agreement and the other Credit Documents, (iv) guarantees of Indebtedness permitted to be incurred pursuant to Section 7.6(b) of this Agreement, and (v) transactions entered into to provide for shared services that benefit the operations of the Facility and other properties managed or operated by the Company and its Subsidiaries (such as a “players club,” joint marketing programs and an IT infrastructure); *provided*, that such expenses are reasonably allocated to the Rhode Island Companies pursuant to the Allocation Principles and *provided, further*, that the Company shall be obligated to provide a summary, with respect to each fiscal year, of the transactions entered into pursuant to this Section 7.6(d)(v) to the DBR and the Division and the cost savings to the Rhode Island Companies resulting from such shared services.

(e) Liens. Create, incur, grant, assume or permit to exist, directly or indirectly, any Lien on the Rhode Island Companies (or Equity Interests in any Rhode Island Company) or a Facility or any other property or assets (including Equity Interests or other securities of any Person) now owned or hereafter acquired by any Rhode Island Company (or any Subsidiary thereof) or on any income or revenues or rights in respect of any thereof, except (the “Permitted Liens”):

(i) Liens for Taxes, assessments or governmental charges or levies not yet due and payable or delinquent and Liens for Taxes, assessments or governmental charges or levies, which are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP;

(ii) Liens in respect of property of any Rhode Island Company (or any Subsidiary thereof) imposed by law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers’, warehousemen’s, materialmen’s, landlord’s and mechanics’ liens, maritime liens and other similar Liens arising in the ordinary course of business (A) which do not in the aggregate materially detract from the value of the property of the applicable Rhode Island Company, and do not materially impair the use thereof in the operation of the business of such Rhode Island Company and (B) (x) for amounts not yet overdue for a period of sixty (60) days or (y) for amounts that are overdue for a period in excess of sixty (60) days that are being contested in good faith by appropriate proceedings (inclusive of amounts that remain unpaid as a result of bona fide disputes with contractors, including where the amount unpaid is greater than the amount in dispute), so long as adequate reserves have been established in accordance with GAAP;

(iii) Liens securing Indebtedness disclosed on Schedule 10.02 of the Credit Agreement (as in effect on the Effective Date); *provided, however*, that (A) such Liens do not encumber any Facility or any other property or assets (including Equity Interests or

other securities of any Person) of a Rhode Island Company other than (x) any such property subject thereto on the Effective Date, (y) after-acquired property that is affixed or incorporated into property covered by such Lien and (z) proceeds and products thereof, and (B) the amount of Indebtedness secured by such Liens does not increase except in accordance with the terms of this Agreement;

(iv) easements, rights-of-way, restrictions (including zoning restrictions), covenants, encroachments, sub-division maps, protrusions and other similar charges or encumbrances, and minor title deficiencies on or with respect to any real property, in each case whether now or hereafter in existence, not (A) securing Indebtedness and (B) individually or in the aggregate materially interfering with the conduct of the business of the Rhode Island Companies;

(v) Liens arising out of judgments or awards not resulting in an Event of Default (as such term is defined in the Credit Agreement in effect on the Effective Date);

(vi) Liens (other than any Lien imposed by ERISA) (A) imposed by law or deposits made in connection therewith in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, (B) incurred in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, rental obligations (limited, in the case of rental obligations, to security deposits and deposits to secure obligations for taxes, insurance, maintenance and similar obligations), utility services, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money), (C) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers or (D) Liens on deposits made to secure any Rhode Island Company's Gaming/Racing License applications or to secure the performance of surety or other bonds issued in connection therewith; *provided, however*, that to the extent such Liens are not imposed by applicable law, such Liens shall in no event encumber any property other than cash and cash equivalents or, in the case of clause (C), proceeds of insurance policies;

(vii) Leases with respect to the assets or properties of any Rhode Island Company or its respective Subsidiaries, in each case entered into in the ordinary course of such Rhode Island Company's or Subsidiary's business so long as each of the Leases entered into after the date hereof with respect to real property do not, individually

or in the aggregate, (x) interfere in any material respect with the ordinary conduct of the business of the Rhode Island Companies and their respective Subsidiaries, taken as a whole, or (y) materially impair the use (for its intended purposes) or the value of the properties of the Rhode Island Companies and their respective Subsidiaries, taken as a whole;

(viii) Liens (A) arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by any Rhode Island Company or any of its Subsidiaries in the ordinary course of business and (B) that are contractual rights of set-off relating to purchase orders and other agreements entered into with customers of any Credit Party in the ordinary course of business, but in the case of this clause (ii) not to exceed \$1.0 million in the aggregate at any one time;

(ix) Liens securing purchase money indebtedness and Capital Lease Obligations of the Rhode Island Companies not to exceed \$2,000,000 at any time outstanding;

(x) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and cash equivalents on deposit in one or more accounts maintained by any Rhode Island Company or its respective Subsidiaries, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements, *provided, however*, that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(xi) Liens on assets of a Person existing at the time such Person is acquired or merged with or into or consolidated with any Rhode Island Company or its respective Subsidiaries in accordance with the terms of this Agreement (and not created in connection with or in anticipation or contemplation thereof); *provided, however*, that such Liens do not extend to assets not subject to such Liens at the time of acquisition (other than improvements and attachments thereon, accessions thereto and proceeds thereof) and are no more favorable to the lienholders than the existing Lien;

(xii) licenses or sublicenses of intellectual property granted by any Rhode Island Company or its respective Subsidiaries in the ordinary course of business and not interfering in any material respect with the ordinary conduct of the business of the Rhode Island Company and their respective Subsidiaries, taken as a whole;

(xiii) Liens pursuant to the Credit Documents, including, without limitation, Liens related to cash collateralizations;

(xiv) Permitted Vessel Liens;

(xv) Liens arising under applicable Gaming/Racing Laws; *provided, however*, that no such Lien constitutes a Lien securing repayment of Indebtedness for borrowed money;

(xvi) (A) Liens pursuant to leases entered into for the purpose of, or with respect to, operating or managing gaming facilities and related assets, which Liens are limited to the leased property under the applicable lease and granted to the landlord under such lease for the purpose of securing the obligations of the tenant under such lease to such landlord, (B) Liens on cash and cash equivalents (and on the related escrow accounts or similar accounts, if any) required to be paid to the lessors (or lenders to such lessors) under such leases or maintained in an escrow account or similar account pending application of such proceeds in accordance with the applicable lease and (C) in the case of any real property that constitutes a leasehold interest, any mortgages, Liens, security interest, restrictions, encumbrances or any other matters of record to which the fee simple interest (or any superior leasehold interest) is subject (and with respect to which none of the Credit Parties shall have any obligation whatsoever);

(xvii) [Reserved];

(xviii) Prior Mortgage Liens (as such term is defined in the Credit Agreement as in effect on the Effective Date) with respect to the applicable mortgaged real property so long as such Liens do not secure Indebtedness;

(xix) Liens on cash and cash equivalents deposited to discharge, redeem or defease Indebtedness that was permitted to so be repaid and on any cash and cash equivalents held by a trustee under any indenture or other debt agreement issued in escrow pursuant to customary escrow arrangements pending the release thereof;

(xx) Liens arising from precautionary UCC financing statements filings regarding operating leases or consignment of goods entered into in the ordinary course of business;

(xxi) Liens solely on any cash earnest money deposits made by any of the Rhode Island Companies and their respective Subsidiaries in connection with any letter of intent or purchase

agreement in respect of an acquisition or investment that is permitted by this Agreement;

(xxii) in the case of any non-wholly owned Subsidiary or Joint Venture, any put and call arrangements or restrictions on disposition related to its Equity Interests set forth in its organizational documents or any related joint venture or similar agreement;

(xxiii) Liens arising in connection with transactions relating to the selling or discounting of accounts receivable in the ordinary course of business;

(xxiv) licenses, sublicenses, leases or subleases granted to other Persons not materially interfering with the conduct of the business of the Rhode Island Companies and their respective Subsidiaries taken as a whole;

(xxv) any interest or title of a lessor, sublessor, licensee or licensor under any lease or license agreement permitted by this Agreement;

(xxvi) Liens created by the applicable Transfer Agreement;

(xxvii) rights of first refusal under the Hard Rock Licensing Agreement (as in effect on the date hereof); and

(xxviii) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, in accordance with the terms of this Agreement, of any Indebtedness secured by any Lien permitted by this Section 7.6(e); *provided, however*, that (x) such new Lien shall be limited to all or part of the same type of property that secured the original Lien (plus improvements on and accessions to such property, proceeds and products thereof, customary security deposits and any other assets pursuant to after-acquired property clauses to the extent such assets secured (or would have secured) the Indebtedness being refinanced), and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount (or accreted value, if applicable) of such Indebtedness or, if greater, committed amount of the applicable Indebtedness at the time the original Lien became a Lien permitted hereunder and (B) any unpaid accrued interest and premium (including tender premiums) thereon and an amount necessary to pay associated underwriting discounts, defeasance costs, fees, commissions and expenses related to such refinancing, refunding, extension, renewal or replacement.

(f) Investments, Loans and Advances. During any period in which the Leverage Ratio of TRWH (determined on a pro forma basis after giving effect to such Investment described below) is greater than or equal to the Maximum Leverage Ratio, purchase or acquire any Equity Interests, evidences of indebtedness or other investment securities of, make or permit to exist any loans or advances to, or Guarantee any Indebtedness of, or make or permit to exist any other investment or any other interest in, any other Person, or purchase or acquire all or substantially all of the assets (whether tangible or intangible) of any Person, or the property constituting a business unit, line of business or division of any Person (collectively, "Investments"), except for the following:

(i) (A) Investments existing on the Effective Date, (B) Investments by the Company and its Subsidiaries in the Equity Interests of TRMG and its Subsidiaries, and (C) additional Investments following the Effective Date by the Company and its Subsidiaries in the Equity Interests of TRMG and its Subsidiaries (other than the Colorado Subsidiaries);

(ii) Investments and commitments to make Investments outstanding on the date hereof and any Investments received in respect thereof without the payment of additional consideration (other than through the issuance of or exchange of Qualified Capital Stock), Permitted Investments and all Investments made or contracted to be made prior to the Effective Date and replacements, renewals or modifications thereof that, in each case, do not increase the aggregate principal amount of the replaced, renewed or modified Investment;

(iii) Investments in cash and cash equivalents;

(iv) Hedging Agreements; *provided* that such Hedging Agreements are entered into for bona fide hedging activities and not for speculative purposes;

(v) Investments (A) by TRWH in any Subsidiary, (B) by any Subsidiary in TRWH, and (C) by a Subsidiary in another Subsidiary;

(vi) Investments in securities of trade creditors or customers or suppliers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers or suppliers or in settlement of delinquent or overdue accounts in the ordinary course of business or Investments acquired by TRWH as a result of a foreclosure by TRWH or any of the Subsidiaries with respect to any secured Investments or other transfer of title with respect to any secured Investment in default;

(vii) Investments made by TRWH or any Subsidiary as a result of consideration received in connection with an Asset Sale made in compliance with Section 7.6(g);

(viii) Investments consisting of (A) moving, entertainment and travel expenses, drawing accounts and similar expenditures made to officers, directors, managers and employees in the ordinary course of business, (B) loans or advances to officers, directors, managers and employees in connection with such Persons' purchase of Equity Interests of TRWH (*provided* that the amount of such loans and advances described in this clause (viii)(B) shall be contributed to TRWH in cash as common equity) and (C) other loans or advances to officers, directors, managers and employees for any other purpose not described in the foregoing clauses (A) and (B); *provided* that the aggregate principal amount outstanding at any time under the foregoing clauses (B) and (C) shall not exceed \$10.0 million in the aggregate at any time outstanding;

(ix) extensions of trade credit (including to gaming customers) and prepayments of expenses in the ordinary course of business;

(x) Investments of a Subsidiary acquired after the Effective Date or of a Person merged or consolidated with or into TRWH or a Subsidiary, in each case in accordance with the terms of this Agreement, to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence (or were committed) on the date of such acquisition, merger or consolidation;

(xi) Investments in the nature of pledges or deposits (A) with respect to leases or utilities provided to third parties in the ordinary course of business or (B) Permitted Liens under Section 7.6(e)(vi), (x), (xx) or (xxiv);

(xii) advances of payroll payments to employees of TRWH and its Restricted Subsidiaries in the ordinary course of business;

(xiii) the occurrence of a Reverse Trigger Event under any applicable Transfer Agreement;

(xiv) Guarantees by TRWH or any Subsidiary of operating leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into by TRWH or any Subsidiary in the ordinary course of business;

(xv) Investments to the extent that payment for such Investments is made with Equity Interests in TRWH (other than Disqualified Capital Stock);

(xvi) any Investment (A) deemed to exist as a result of a Subsidiary distributing a note or other intercompany debt to a parent of such Subsidiary (to the extent there is no cash consideration or services rendered for such note) and (B) consisting of intercompany current liabilities in connection with the cash management, tax and accounting operations of TRWH and its Subsidiaries, in the case of each of (A) and (B), entered into in accordance with this Agreement;

(xvii) Restricted Payments permitted by Section 7.6(h);

(xviii) Investments consisting of purchases and acquisitions of inventory, supplies, materials, equipment, contract rights or licenses of intellectual property, in each case in this Section 7.6(f)(xix), in the ordinary course of business;

(xix) Investments not to exceed \$25.0 million in the aggregate at any one time outstanding consisting of letters of credit (including Letters of Credit (as defined in the Credit Agreement as in effect on the Effective Date)) issued to support completion guarantees for construction loans provided to the Colorado Subsidiaries (including, for the avoidance of doubt, drawings by the beneficiaries under such letters of credit); and

(xx) Investments required by Gaming/Racing Authorities or made in lieu of payment of a tax or in consideration of a reduction in tax.

Any Investment in any person other than a Credit Party that is otherwise permitted by this Section 7.6(f) may be made through intermediate Investments in Restricted Subsidiaries that are not Credit Parties and such intermediate Investments shall be disregarded for purposes of determining the outstanding amount of Investments pursuant to any clause set forth above. The amount of any Investment made other than in the form of cash or cash equivalents shall be the fair market value thereof valued at the time of the making thereof, and without giving effect to any subsequent write-downs or write-offs thereof.

(g) Mergers, Consolidations and Sales of Assets. No Rhode Island Company will wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation (other than solely to change the jurisdiction of organization or type of organization), or convey, sell, lease or sublease (as lessor or sublessor), transfer or otherwise dispose of any substantial part of its business, property or assets, except for:

(i) sales or dispositions of used, worn out, obsolete or surplus property or property no longer used or useful in the business of the Rhode Island Companies and their Subsidiaries in the ordinary course of business and the abandonment or other sale of intellectual property that is, in the reasonable judgment of TRWH, no longer economically practicable to maintain or useful in the conduct of the business of the Rhode Island Companies and their Subsidiaries taken as a whole; and the termination or assignment of Contractual Obligations to the extent such termination or assignment does not have a Material Adverse Effect; and sales or transfers of inventory in the ordinary course of business;

(ii) Asset Sales by the Rhode Island Companies or any Subsidiary (other than any Asset Sales of (A) any interest (other than *de minimis* assets and other assets that are not material and do not consist of owned or leased real property of any Facility, Gaming/Racing Licenses that are necessary for the ownership, lease or operation of any Facility or any other asset integral or material to, or necessary for, the operation of any Facility) in any fee or leasehold interest in, or the operations of, any Facility or (B) the Equity Interests in any Person that directly or indirectly owns any of the foregoing); *provided* that (I) the Rhode Island Companies and their Subsidiaries shall receive not less than 75% of such consideration in the form of (x) cash or cash equivalents or (y) Permitted Business Assets (as such term is defined in the Credit Agreement as of the Effective Date) (in each case, free and clear of all Liens at the time received other than Permitted Liens) (it being understood that for the purposes of clause (iii)(B)(I)(x), the following shall be deemed to be cash: (1) any liabilities (as shown on TRWH's or such Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of the Rhode Island Companies or such Subsidiary that are assumed by the transferee with respect to the applicable Asset Sale and for which the Rhode Island Companies and all of their Subsidiaries shall have been validly released by all applicable creditors in writing, (2) any securities received by the Rhode Island Companies or such Subsidiary from such transferee that are converted by the Rhode Island Companies or such Subsidiary into cash or cash equivalents (to the extent of the cash or cash equivalents received) within one hundred and eighty (180) days following the closing of the applicable disposition, and (3) any Designated Non-Cash Consideration (as such term is defined in the Credit Agreement in effect on the Effective Date) received in respect of such disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (3) that is at that time outstanding, not in excess of the greater of \$30.0 million and 15% of Consolidated EBITDA at the time of determination for the Test Period most recently ended, with the fair market value of each item of

Designated Non-Cash Consideration being measured at such date of receipt or such agreement, as applicable, and without giving effect to subsequent changes in value) and (II) during any period in which the Leverage Ratio of TRWH is greater than or equal to the Maximum Leverage Ratio, the net available proceeds (as determined in good faith by TRWH) therefrom shall be applied to reduce outstanding Indebtedness of TRWH and its Subsidiaries;

(iii) Liens permitted by Section 7.6(e), Investments may be made to the extent permitted by Section 7.6(f), and Restricted Payments may be made to the extent permitted by Section 7.6(h);

(iv) subject to compliance with Sections 7.6(c) and (d), the Rhode Island Companies and their Subsidiaries may dispose of cash and cash equivalents;

(v) the Rhode Island Companies and their Subsidiaries may lease (as lessor or sublessor) real or personal property to the extent permitted under Section 7.6(e);

(vi) licenses and sublicenses by the Rhode Island Companies or any of their Subsidiaries of software and intellectual property in the ordinary course of business shall be permitted;

(vii) subject to the other provisions of this Agreement (including, for the avoidance of doubt, Section 7.6(i)), (A) the Rhode Island Companies or any Subsidiary may transfer or lease property to or acquire or lease property from TRWH or any Subsidiary; (B) any Subsidiary may merge or consolidate with or into a Rhode Island Company (as long as such Rhode Island Company is the surviving Person); (C) any Subsidiary (other than a Rhode Island Company) may merge or consolidate with or into any other Subsidiary (other than a Rhode Island Company); and (D) any Subsidiary (other than a Rhode Island Company) may be voluntarily liquidated, voluntarily wound up or voluntarily dissolved (so long as any such liquidation or winding up does not constitute or involve an Asset Sale to any Person other than to TRWH or any other Subsidiary or any other owner of Equity Interests in such Subsidiary unless such Asset Sale is otherwise permitted pursuant to this Section 7.6(g));

(viii) voluntary terminations of Hedging Agreements and other assets or contracts in the ordinary course of business;

(ix) conveyances, sales, leases, transfers or other dispositions which do not constitute Asset Sales;

(x) any taking by a Governmental Authority of assets or property, or any part thereof, under the power of eminent domain or condemnation;

(xi) the Rhode Island Companies and their Subsidiaries may make sales, transfers or other dispositions of property subject to a Casualty Event;

(xii) subject to the other provisions of this Agreement, including Section 7.6(d) hereof, and subject to any separate licensure requirements of the Division and the DBR, as applicable, the Rhode Island Companies and their Subsidiaries may make sales, transfers or other dispositions of Investments in Joint Ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the Joint Venture parties set forth in Joint Venture arrangements and similar binding arrangements;

(xiii) any transfer of Equity Interests of any Subsidiary or any Gaming/Racing Property in connection with the occurrence of a Trigger Event;

(xiv) subject to the other provisions of this Agreement, (A) the lease, sublease or license of any portion of any property (other than any property of a Rhode Island Company) to Persons who, either directly or through Affiliates of such Persons, intend to operate or manage nightclubs, bars, restaurants, recreation areas, spas, pools, exercise or gym facilities, or entertainment or retail venues or similar or related establishments or facilities and (B) the grant of declarations of covenants, conditions and restrictions and/or easements with respect to common area spaces and similar instruments benefiting such tenants of such leases, subleases and licenses (collectively, the "Venue Easements," and together with any such leases, subleases or licenses, collectively the "Venue Documents"); *provided* that no Venue Document or operations conducted pursuant thereto would reasonably be expected to materially interfere with, or materially impair or detract from, the operations of TRWH and the Subsidiaries taken as a whole;

(xv) subject to the other provisions of this Agreement, the dedication of space or other dispositions of property in connection with and in furtherance of constructing structures or improvements reasonably related to the development, construction and operation of any project; *provided* that in each case such dedication or other dispositions are in furtherance of, and do not materially impair or interfere with the operations of the Rhode Island Companies and their Subsidiaries;

(xvi) dedications of, or the granting of easements, rights of way, rights of access and/or similar rights, to any Governmental Authority, utility providers, cable or other communication providers and/or other parties providing services or benefits to any project, any real property held by the Rhode Island Companies or their Subsidiaries or the public at large that would not reasonably be expected to interfere in any material respect with the operations of the Rhode Island Companies and their Subsidiaries;

(xvii) any disposition of Equity Interests in a Subsidiary (other than a Rhode Island Company) pursuant to an agreement or other obligation with or to a person (other than TRWH and its Subsidiaries) from whom such Subsidiary was acquired or from whom such Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(xviii) dispositions of non-core assets acquired in connection with an Investment; *provided*, that (A) the amount of non-core assets that are disposed of in connection with any such Investment pursuant to this clause (xviii) does not exceed 25% of the aggregate purchase price for such Investment and (B) to the extent that any such Investment is financed with the proceeds of Indebtedness of the Rhode Island Companies or their Subsidiaries, then any proceeds from such Investment shall be used to prepay such Indebtedness (to the extent otherwise permitted hereunder) or other Indebtedness; and

(xix) during any period in which the Leverage Ratio of TRWH is not greater than or equal to the Maximum Leverage Ratio, other dispositions of assets with a fair market value of not more than the greater of \$10.0 million and 5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended.

(h) Restricted Payments. During any period in which the Leverage Ratio of TRWH (determined on a pro forma basis after giving effect to such Restricted Payment described below) is greater than or equal to the Maximum Leverage Ratio, declare or make, or agree to make, directly or indirectly, declare or make any Restricted Payment at any time, or incur any obligation (contingent or otherwise) to do so; provided, however, that, subject to compliance with Section 7.6(c) and the other provisions of this Agreement, without duplication:

(i) any Subsidiary of TRWH may declare and make Restricted Payments to TRWH or any wholly owned Subsidiary of TRWH;

(ii) any Subsidiary of TRWH, if such Subsidiary is not a wholly owned Subsidiary, may declare and make Restricted Payments in respect of its Equity Interests to all holders of such Equity Interests generally so long as TRWH or its respective Subsidiary that owns such Equity Interest or interests in the Person making such Restricted Payments receives at least its proportionate share thereof (based upon its relative ownership of the subject Equity Interests and the terms thereof);

(iii) TRWH and its Subsidiaries may engage in transactions to the extent permitted by Section 7.6(g); provided that any proceeds from such transactions shall be subject to this Section 7.6(h) and the other provisions of this Agreement;

(iv) TRWH and its Subsidiaries may make Restricted Payments in the form of Disqualified Capital Stock issued in compliance with the terms hereof;

(v) TRWH may repurchase common stock or common stock options from present or former officers, directors or employees (or heirs of, estates of or trusts formed by such Persons) of any Company upon the death, disability, retirement or termination of employment of such officer, director or employee or pursuant to the terms of any stock option plan, employment agreement, severance agreement or like agreement; *provided, however*, that (i) TRWH shall provide prior written notice to the Division and the DBR at least ten (10) Business Days prior to any such repurchase pursuant to this clause (v) and (ii) the aggregate amount of payments under this clause (v) shall not exceed in any fiscal year of TRWH the greater of \$10.0 million and 5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended (with unused amounts in any fiscal year being carried over to succeeding fiscal years);

(vi) TRWH and its Restricted Subsidiaries may (A) repurchase Equity Interests to the extent deemed to occur upon exercise of stock options, warrants or rights in respect thereof to the extent such Equity Interests represent a portion of the exercise price of such options, warrants or rights in respect thereof and (B) make payments in respect of withholding or similar taxes payable or expected to be payable by any present or former member of management, director, officer, employee, or consultant of TRWH or any of its Subsidiaries or family members, spouses or former spouses, heirs of, estates of or trusts formed by such Persons in connection with the exercise of stock options or grant, vesting or delivery of Equity Interests;

(vii) TRWH and its Subsidiaries may make Restricted Payments to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or, warrants or rights or upon the conversion or exchange of or into Equity Interests, or payments or distributions to dissenting stockholders pursuant to applicable law;

(viii) to the extent constituting Restricted Payments, TRWH may make payments to counterparties under Hedging Agreements entered into in connection with the issuance of convertible or exchangeable debt; and

(ix) TRWH and its Subsidiaries may make payments of amounts necessary (not in excess of the greater of \$10.0 million and 5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended (with any unused amounts being carried over to succeeding fiscal years) in any fiscal year of TRWH) to repurchase or retire Equity Interests of TRWH or any Subsidiary to the extent required by any Gaming/Racing Authority in order to avoid the suspension, revocation or denial of a Gaming/Racing License by that Gaming/Racing Authority; *provided* that, (i) TRWH shall provide prior written notice to the Division and the DBR at least ten (10) Business Days prior to any such repurchase or retirement pursuant to this clause (ix) and (ii) in the case of any such repurchase or retirement of Equity Interests of TRWH or any Subsidiary, if such efforts do not jeopardize any Gaming/Racing License, TRWH or any such Subsidiary will have previously used commercially reasonable efforts to attempt to find a suitable purchaser for such Equity Interests and no suitable purchaser acceptable to the applicable Gaming/Racing Authority and TRWH was willing to purchase such Equity Interests on terms acceptable to the holder thereof within a time period acceptable to such Gaming/Racing Authority.

(i) Transactions with Affiliates. (1) None of the Rhode Island Companies shall enter into any transaction or (2) none of TRWH nor any of its Subsidiaries (other than the Rhode Island Companies) shall enter into any transaction or series of related transactions involving aggregate consideration in excess of \$5.0 million, in the case of (1) or (2), including, without limitation, any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than TRWH or any Subsidiary); *provided, however*, that notwithstanding the foregoing, TRWH and its Subsidiaries, subject to Section 7.6(d):

(i) may enter into indemnification and employment and severance agreements and arrangements with directors, officers and employees (and may pay customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors,

officers, board managers and employees of TRWH and its Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of TRWH and its Subsidiaries;

(ii) [Reserved];

(iii) may make Investments and Restricted Payments to the extent permitted hereunder;

(iv) may enter into the transactions contemplated by each applicable Transfer Agreement;

(v) subject to Section 7.6(d), may enter into customary expense sharing and tax sharing arrangements entered into between TRWH and its Subsidiaries in the ordinary course of business pursuant to which such Subsidiaries shall reimburse TRWH or the applicable Subsidiaries for certain shared expenses and taxes;

(vi) may enter into transactions in the ordinary course of business upon fair and reasonable terms no less favorable to TRWH or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate; *provided* that with respect to any transaction (or series of related transactions) involving consideration of more than \$20.0 million, such transaction shall be approved by the majority of the disinterested directors of TRWH;

(vii) [Reserved];

(viii) [Reserved];

(ix) may enter into transactions with any Person, which is an Affiliate solely due to a director or directors of such Person (or a parent company of such Person) also being a director or directors of TRWH;

(x) may enter into transactions with a Person who is not an Affiliate immediately before the consummation of such transaction that becomes an Affiliate as a result of such transaction;

(xi) transactions pursuant to the Tax Sharing Agreement; and

(xii) may issue Equity Interests in TRWH to any Person in accordance with the terms of this Agreement.

(j) Other Indebtedness and Agreements. TRWH shall not, and shall not permit (i) any Subsidiary to amend, modify or change in any manner adverse to the Rhode Island Companies, the DBR or the Division in any material respect (A) its certificate of incorporation, by-laws, operating, management or partnership agreement or other Organizational Documents or the Tax Sharing Agreement, (B) any Management Agreement, any Material Agreement (other than the Credit Documents which shall be governed by Section 7.6(a)) or any Material Gaming/Racing Agreement, or (ii) any (x) waiver, supplement, modification or amendment of the Gaming/Racing Licenses of any Subsidiary (except for any Gaming/Racing Licenses issued by the State (including the Division and the DBR)) to the extent that any such waiver, supplement, modification or amendment would be adverse to the Rhode Island Companies, the Division or the DBR in any material respect or (y) any termination of the Gaming/Racing Licenses of any Subsidiary.

7.7 The Company shall directly pay all of DBR's and the Division's (or of such entities that the DBR and the Division may identify) costs and expenses associated with DBR's and the Division's oversight and review of the business of the Facilities, including, without limitation, all such costs and expenses associated with the negotiation of and execution of this Agreement, the monitoring and enforcing compliance by the Company with the terms and conditions of this Agreement (which shall include, without limitation, all such costs and expenses associated with DBR's and the Division's review of any matters requiring the consent of DBR or the Division pursuant to the terms of this Agreement), all such costs and expenses associated with the DBR's and the Division's review of any Material Agreement entered into (or proposed to be entered into) by the Company (whether or not such Material Agreement or the subject matter thereof requires the consent of the DBR or the Division pursuant to the terms of this Agreement) and any other costs and expenses required to be paid by the Company pursuant to applicable law or any other agreement or arrangement between the Company and the State.

8. Remedies in the Event of Noncompliance.

8.1 The Company agrees that irreparable damage would occur to DBR, the Division and the State in the event that any of the terms or provisions of this Agreement to be performed by the Company shall not be performed in accordance with their specific terms or shall have been otherwise breached. The Company accordingly agrees that, without posting a bond or other undertaking, notwithstanding anything to the contrary contained in this Agreement, at any time DBR and/or the Division shall be entitled to seek injunctive or other equitable relief against the Company and its Subsidiaries to prevent or cure breaches of this Agreement by the Company and to specifically enforce against the Company the terms and provisions hereof, such remedy against the Company being in addition to any other remedy against the Company to which DBR and/or the Division may be entitled at law or in equity. In the event that, pursuant to the immediately preceding sentence, any action, suit or proceeding is brought by DBR and/or the Division in equity to enforce the provisions of this Agreement against the Company, the Company shall not allege, and the Company hereby waives the defense or counterclaim, that there is an adequate remedy at law.

8.2 Without limitation to any other remedy that DBR and/or the Division may have against the Company for breach of any provision of the Compliance Agreement, Prior Undertakings or the Prior Agreement (in each case, subject to Section 2.4) or this Agreement, the Company agrees that in the event of a breach of the terms of the Compliance Agreement, Prior Undertakings or the Prior Agreement (in each case, subject to Section 2.4) or this Agreement by the Company, which breach shall be determined in the sole discretion of the DBR and/or the Division, the actual damages suffered by DBR and/or Division shall be difficult or impossible to determine and DBR and/or the Division shall be entitled to take the following actions:

A. In the event of the breach of any provision hereof, the breach of the terms of the Compliance Agreement, Continuing Prior Undertakings or the Prior Agreement prior to the Effective Date (or the Prior Undertakings, other than the Continuing Prior Undertakings, prior to July 1, 2016), or the breach of the terms of the VLT Contract or the Tiverton VLT Contract (including any breach of the Tiverton VLT Contract prior to its assignment by PE II to TRT), the Division shall be entitled to hold any Net Terminal Income otherwise payable to the Company beginning on the date of such breach. The Division shall be entitled to not remit any such Net Terminal Income otherwise payable to the Company until such time as the Company shall have cured the applicable breach of the Compliance Agreement, Prior Undertakings or the Prior Agreement, the VLT Contract, the Tiverton VLT Contract (including any breach of the Tiverton VLT Contract prior to its assignment by PE II to TRT) or this Agreement, as applicable, which shall be determined in the discretion of DBR and the Division. In the event the Company shall cure such breach to the satisfaction of DBR and the Division, the Division shall remit to the Company all amounts held in the escrow account as a result of such breach.

B. In the event that the Company breaches Sections 2, 3, 4, 5, 6, 7 or 9 of this Agreement, or has breached the terms of the Compliance Agreement, Continuing Prior Undertakings or the Prior Agreement prior to the Effective Date (or the Prior Undertakings, other than the Continuing Prior Undertakings, prior to July 1, 2016), or breaches the terms of the VLT Contract or the Tiverton VLT Contract (including any breach of the Tiverton VLT Contract prior to its assignment by PE II to TRT), the DBR and the Division shall be entitled to levy a penalty for such breach in an amount not less than \$100 nor more than \$150,000 per violation. The DBR and/or the Division shall also have the right to levy a penalty in an amount not less than \$100 nor more than \$150,000 per violation on TRWH, TRMG, UTGR and TRT with respect to any Person that is an employee or director of the Company holding a license from DBR and is subject to the statutory and regulatory authority of the Division if it finds said Person is responsible for, or has contributed to, any such breach by the Company.

8.3 The remedies provided to DBR and the Division in this Section 8 shall be contractual in nature, pursuant to the terms of this Agreement, and shall not limit, and shall be in addition to, any remedies that DBR and/or the Division shall have in law or equity or any regulatory action DBR and/or Division may take with regard to the Company's involvement in the ownership or management of the Facilities, including the

revocation or suspension of the Company's license in a manner consistent with the laws of the State.

8.4 The parties acknowledge and agree that the update, amendment, restatement and reinforcement of the Prior Agreement or any Prior Undertakings in connection with the entry by the parties into this Agreement shall not waive or constitute a waiver in any respect of any rights or remedies that DBR and/or the Division might otherwise have, including pursuant to the terms of the Compliance Agreement, the Prior Undertakings or the Prior Agreement that the State may be entitled to exercise at any time on, prior to, or following the Effective Date, including any enforcement actions or administrative penalties, relating to any matter or state of facts which arose on or prior to the Effective Date or is existing as of the Effective Date (or, with respect to the Prior Undertakings other than the Continuing Prior Undertakings, July 1, 2016).

9. General.

9.1 Relationship to Regulatory Authority of DBR and the Division. This Agreement shall be deemed to supplement the regulatory authority granted to DBR and/or the Division pursuant to the laws of the State and shall not be interpreted to limit the regulatory authority granted to either the DBR and/or the Division by the State. In the event of any conflict between this Agreement and the regulatory authority granted to the DBR and/or the Division, the regulatory authority granted to the DBR and/or the Division shall govern.

9.2 Amendment. This Agreement shall not be amended except by a writing of subsequent date hereto, executed by duly authorized representative of the parties hereto.

9.3 Modifications. Without limiting any of the regulatory authority granted to the DBR and/or the Division pursuant to the laws of the State or any of the rights of the DBR and the Division under this Agreement, including the rights of the DBR and the Division set forth in Section 3, to the extent that the Company in good faith proposes certain modifications to this Agreement in connection with a contemplated initial public sale of any class of shares of equity interests of the Company or any of its Subsidiaries, any merger, consolidation or other combination involving the Company or any of its Subsidiaries, or any acquisition of the Company or any of its Subsidiaries, the parties agree to consider such proposed modifications in good faith; *provided*, that the foregoing shall not obligate the DBR and the Division in any way to agree to any such modification to this Agreement proposed by the Company.

9.4 Assignment. This Agreement shall not be assigned by any party without the prior written consent of the other parties, *provided*, that, the transfer of the management of the Facilities by the Company is subject to the licensing authority of the DBR and the Division and in the event that a transfer is permitted by the DBR and the Division, the transferee thereof shall assume all obligations of the Company hereunder.

9.5 Notices. All notices, demands and other communications required or permitted hereunder shall be in writing and shall be deemed received (i) upon receipted

delivery if sent by messenger or personal courier, (ii) two Business Days after being deposited with an internationally recognized overnight courier, (iii) upon email/facsimile transmission to the email address/number indicated below and receipt of a confirmation of receipt with respect thereto, or (iv) on actual receipt, if sent in any other manner, in each case with postage/delivery prepaid or billed to sender and addressed as follows:

If to the Company: General Counsel
UTGR, Inc.
100 Twin River Road
Lincoln, Rhode Island 02865
Email: ceaton@twinriver.com

With copies to (which shall not constitute notice):

Jones Day
250 Vesey Street
New York, New York 10281-1047
Attention: Robert A. Profusek, Esq.
Andrew M. Levine, Esq.
Email: rprofusek@jonesday.com, amlevine@jonesday.com

If to DBR: Director of the Department of Business Regulation
1151 Pontiac Avenue
Cranston, Rhode Island 02920
Attention: Director
Email: to such email addresses as may be provided by the DBR from time to time

If to Division: Director of the Division of Lotteries
1425 Pontiac Avenue
Cranston, RI 02920
Attention: Director
Email: to such email addresses as may be provided by the Division from time to time

With copy to (which shall not constitute notice):

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Attention: Thomas M. Cerabino, Esq.
Michael E. Brandt, Esq.
Email: tcerabino@willkie.com, mbrandt@willkie.com

Any party may change its address for purposes of notice hereunder by sending notice in the manner provided above, together with the effective date of such change.

9.6 Binding Effect. This Agreement (including any applicable Prior Undertakings or the Prior Agreement in each case to the extent set forth in Section 2.4) shall be binding upon and inure to the benefit of each of the parties hereto, and each of their respective successors and permitted assigns. The Company hereby acknowledges and agrees that this Agreement is consistent with and fully enforceable under the laws of the State.

9.7 Waiver. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this Agreement, or any part thereof, or the right of the other party thereafter to enforce each and every provision.

9.8 Severability. The parties acknowledge that the provisions contained herein are required for the protection of the business interests of the parties and the State. The illegality, invalidity or unenforceability of any provision of this Agreement under any applicable law shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision of this Agreement, and to this end the provisions hereof are declared to be severable.

9.9 Authorization to Execute Agreement. The parties warrant that they are authorized to execute and deliver this Agreement and to perform the obligations set forth herein, and the persons executing this Agreement on behalf of such party are authorized to do so.

9.10 Headings and Interpretation. Section headings of this Agreement are for convenience only and shall neither form a part nor affect the interpretation hereof. Words in the singular number shall be interpreted to include the plural (and vice-versa), when context so requires. Use of "including" herein shall be interpreted to be followed by the words "without limitation".

9.11 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State, without regard to conflict of law principles. The parties agree that any suit for the enforcement of this Agreement may be brought in the courts of the State or any federal court sitting therein and consent to the nonexclusive jurisdiction of such court and to service of process in any such suit being made upon the parties at the addresses set forth for the parties above. The parties hereby waive any objection that they may now or hereafter have to the venue of any such suit or any such court or that such suit was brought in an inconvenient court.

9.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

9.13 Recitals. The Recitals set forth above are hereby incorporated into and made a part of this Agreement.

9.14 Interpretation and Meaning of "Operate." To the extent that this Agreement, any other document executed by any Company and/or the Agents or the Lenders uses

the term “operate” as it relates to any Facility, it is explicitly understood by UTGR, TRT and the Division that the Facilities are in fact operated by the State as required by the Rhode Island Constitution and that the State, as operator of the Facilities, has full control over all aspects of the functioning of the Facilities with the power and authority to make all decisions related thereto. Therefore, the use of the term “operate” herein or therein is not intended to imply that any Person other than the State (through the Division) operates the lotteries as provided in Section 15 of Article VI of the Rhode Island Constitution.

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[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto effective as of the date first above written.

**DIVISION OF LOTTERIES OF THE DEPARTMENT OF BUSINESS
DEPARTMENT OF REVENUE REGULATION**

By: /s/ Gerald S. Aubin By: /s/ Elizabeth M. Tanner
Name: Gerald S. Aubin Name: Elizabeth M. Tanner, Esq.
Title: Director Title: Director

Signed on: 11/13/2019 Signed on: 11/13/2019

TWIN RIVER WORLDWIDE
HOLDINGS, INC.

By: /s/ Craig Eaton
Name: Craig Eaton
Title: Exec. VP and General Counsel

TWIN RIVER MANAGEMENT GROUP, INC.

By: /s/ Craig Eaton
Name: Craig Eaton
Title: Exec. VP and General Counsel

UTGR, INC.

By: /s/ Craig Eaton
Name: Craig Eaton
Title: Exec. VP and General Counsel

TWIN RIVER-TIVERTON, LLC

By: /s/ Craig Eaton
Name: Craig Eaton
Title: Exec. VP and General Counsel

RESTRICTED STOCK UNIT AWARD AGREEMENT

Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan

This Award Agreement (this “Agreement”) is made as of April 2, 2019 (the “Grant Date”) between Twin River Worldwide Holdings, Inc. (the “Company”), and George T. Papanier (“Participant”), pursuant to the terms of the Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan (the “Plan”). Any capitalized term used herein but not defined herein shall have the meaning set forth in the Plan.

Section 1. Grant of Restricted Stock Units. The Company has granted to Participant, subject to the terms and conditions hereinafter set forth and in the Plan, a Restricted Stock Unit Award consisting of 40,784 restricted stock units (the “Restricted Stock Units”). Each Restricted Stock Unit represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan.

Section 2. Vesting of the Restricted Stock Units.

- (a) Generally. Except as otherwise provided herein, 50% of the Restricted Stock Units will vest on December 31, 2019 and the remaining 50% unvested Restricted Stock Units will vest on December 31, 2020, subject to Participant’s continuous Service with the Company or a Subsidiary on each such date. For purposes of this Agreement, the continuous Service with the Company or a Subsidiary will not be deemed to have been interrupted, and Participant shall not be deemed to have ceased to be an employee of the Company or a Subsidiary, by reason of the transfer of Participant’s employment among the Company and its Subsidiaries.
 - (b) Death; Disability. Notwithstanding Section 2(a), upon the occurrence of Participant’s termination of Service due to Participant’s death or Disability, the Restricted Stock Units shall vest as to the number of Restricted Stock Units that would otherwise have vested on the next applicable vesting date in accordance with Section 2(a) (assuming Participant had remained in continuous Service with the Company or a Subsidiary on such date).
 - (c) Termination Without Cause; Termination for Good Reason. Notwithstanding Section 2(a) or 2(b), upon the occurrence of Participant’s termination of Service by the Company without Cause or Participant’s termination of Service by Participant for Good Reason, the Restricted Stock Units shall fully vest.
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- (d) Change in Control. Upon the occurrence of a Change in Control, the Restricted Stock Units shall fully vest, except to the extent that a Replacement Award is provided to Participant in lieu of the Restricted Stock Units. If Participant receives a Replacement Award, upon the Involuntary Termination (as defined below) of Participant's Service upon or within two years following the consummation date of a Change in Control, the Replacement Award shall fully vest. For purposes of this Agreement, the term "Involuntary Termination" shall have the meaning set forth in the Plan but shall not include a termination of Participant's Service due to Participant's Retirement (as such term is defined in the Plan).

Section 3. Termination of Service. Except as subject to the provisions of Section 2, upon the occurrence of a termination of Participant's Service for any other reason, all unvested Restricted Stock Units shall be forfeited and Participant shall not be entitled to any compensation or other amount with respect to such forfeited Restricted Stock Units.

Section 4. Settlement.

- (a) All vested Restricted Stock Units shall be settled within 30 days of the applicable vesting date by the Company's issuance and delivery to Participant (or Participant's beneficiary in the event of Participant's death) of a number of shares of Common Stock equal to the number of vested Restricted Stock Units; provided, however, that if the vesting date is a Change in Control and such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code and the regulations thereunder, and where Section 409A of the Code applies to such distribution, Participant is entitled to receive the corresponding payment on the date that would have otherwise applied upon vesting pursuant to Section 2(a), (b) or (c) as though such Change in Control had not occurred.
- (b) Notwithstanding anything in this Agreement to the contrary, if (i) Participant is a "specified employee" (within the meaning of Section 409A of the Code), (ii) the issuance of the shares of Common Stock pursuant to Section 4(a) is considered to be a "deferral of compensation" (as such phrase is defined for purposes of Section 409A of the Code) and (iii) such issuance is made by reason of the Participant's "separation from service" with the Company (determined in accordance with Section 409A of the Code), then Participant's date of issuance of the shares of Common Stock shall be the date that is the first day of the seventh month after the date of Participant's separation from service.

Section 5. Adjustments. The Restricted Stock Units granted hereunder shall be subject to the provisions of Section 4.2 of the Plan relating to adjustments for recapitalizations, reclassifications and other changes in the Company's corporate structure and for material corporate transactions; provided, however, for the avoidance of doubt,

any dividends which are the subject of Dividend Equivalents shall not also be the cause of adjustments to the Restricted Stock Units pursuant to Section 4.2 of the Plan.

Section 6. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon Participant any right to continued Service with the Company or any Affiliate.

Section 7. Limitation of Rights. Participant shall not have any privileges of a stockholder of the Company with respect to any Restricted Stock Units, including, without limitation, any right to vote any shares of Common Stock underlying such Restricted Stock Units or to receive dividends or other distributions in respect thereof, unless and until there is a date of settlement and issuance to Participant of the underlying Common Stock. Notwithstanding the foregoing, the Restricted Stock Unit Award granted hereunder is hereby granted in tandem with corresponding dividend equivalents with respect to each share of Common Stock underlying the Restricted Stock Unit Award granted hereunder (each, a "Dividend Equivalent"), which Dividend Equivalent shall remain outstanding from the Grant Date until the earlier of the settlement or forfeiture of the Restricted Stock Unit to which it corresponds. Participant shall be entitled to accrue payments equal to dividends declared, if any, on the Common Stock underlying the Restricted Stock Unit to which such Dividend Equivalent relates, payable in cash and subject to the vesting of the Restricted Stock Unit to which it relates, at the time the Common Stock underlying the Restricted Stock Unit is settled and delivered to Participant pursuant to Section 4; provided, however, if any dividends or distributions are paid in shares of Common Stock, the shares of Common Stock shall be deposited with the Company, shall be deemed to be part of the Dividend Equivalent, and shall be subject to the same vesting requirements, restrictions on transferability and forfeitability as the Restricted Stock Units to which they correspond. Dividend Equivalents shall not entitle Participant to any payments relating to dividends declared after the earlier to occur of the settlement or forfeiture of the Restricted Stock Units underlying such Dividend Equivalents.

Section 8. Restrictions on Transfer. No Restricted Stock Units may be transferred, pledged, assigned, hypothecated or otherwise disposed of in any way by Participant, except by will or by the laws of descent and distribution. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Restricted Stock Units contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon any Restricted Stock Units, shall be null and void and without effect.

Section 9. Withholding Taxes. Participant shall be liable for any and all taxes and contributions of any kind required by law to be withheld or made with respect to the delivery of any shares of Common Stock under this Agreement. Unless the Committee determines otherwise, Participant's employer shall withhold from the shares of Common Stock otherwise issuable pursuant to the settlement of the Restricted Stock Units a number of shares of Common Stock sufficient to satisfy the amount of any such withholding obligation.

Section 10. Compliance With Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any of the shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law. Nothing in this Agreement or in the Plan prohibits or will be interpreted or construed to prohibit Participant from reporting any possible violation of federal law or regulation to any governmental agency or entity, including, but not limited to, the U.S. Department of Justice or the Securities and Exchange Commission, or providing testimony to or communicating with such agency or entity in the course of its investigation, or from making any other disclosures that are protected under the whistleblower provisions of federal law and regulation. Any such reports, testimony or disclosures do not require Participant to provide notice or receive the authorization or consent of the Company or the Board.

Section 11. Construction. The Restricted Stock Unit Award granted hereunder is granted pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. Participant hereby acknowledges that a copy of the Plan has been delivered to Participant and accepts the Restricted Stock Unit Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon Participant.

Section 12. Notices. Any notice hereunder by Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company at the Company's principal executive offices. Any notice hereunder by the Company shall be given to Participant in writing at the most recent address as Participant may have on file with the Company.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and administered in accordance with Section 409A of the Code. Notwithstanding any other provision of the Plan or this Agreement, payments provided under this Agreement may only be made upon

an event and in a manner that complies with Section 409A of the Code or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A of the Code shall be excluded from Section 409A of the Code to the maximum extent possible. The Restricted Stock Units granted hereunder shall be subject to the provisions of Section 13.3 of the Plan. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code, and in no event shall the Company or any of its Subsidiaries or Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Participant on account of non-compliance with Section 409A of the Code.

Section 17. Entire Agreement. Participant acknowledges and agrees that this Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, superseding any and all prior agreements whether verbal or otherwise between the parties with respect to such subject matter.

Section 18. Forfeiture and Recapture. The Restricted Stock Unit Award will be subject to recoupment in accordance with any existing clawback or recoupment policy, or clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required under Section 10D of the Exchange Act or other applicable law. In addition, the Committee may impose such other clawback, recovery or recoupment provisions as the Committee determines necessary or appropriate, including, but not limited to, a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. The implementation of any clawback or recoupment policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

Section 19. Amendments. Any amendment to the Plan will be deemed to be an amendment to this Agreement to the extent that the amendment is applicable to this Agreement; provided, however, that, subject to the terms of the Plan, no amendment will materially impair the rights of Participant with respect to the Restricted Stock Units without Participant's consent. Notwithstanding the foregoing, the limitation requiring the consent of Participant to certain amendments will not apply to any amendment that is deemed necessary by the Company to ensure compliance with Section 409A.

Section 20. Severability. In the event that one or more of the provisions of this Agreement is invalidated for any reason by a court of competent jurisdiction, any provision so invalidated will be deemed to be separable from the other provisions of this Agreement, and the remaining provisions of this Agreement will continue to be valid and fully enforceable.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

TWIN RIVER WORLDWIDE HOLDINGS, INC.

By: /s/ CRAIG EATON
Name: Craig Eaton
Title: Executive VP and General Counsel

PARTICIPANT

/s/ GEORGE T. PAPANIER
Name: George T. Papanier

RESTRICTED STOCK UNIT AWARD AGREEMENT**Twin River Worldwide Holdings, Inc.
2015 Stock Incentive Plan**

This Award Agreement (this "Agreement") is made as of April 2, 2019 (the "Grant Date") between Twin River Worldwide Holdings, Inc. (the "Company"), and Stephen H. Capp ("Participant"), pursuant to the terms of the Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan (the "Plan"). Any capitalized term used herein but not defined herein shall have the meaning set forth in the Plan.

Section 1. Grant of Restricted Stock Units. The Company has granted to Participant, subject to the terms and conditions hereinafter set forth and in the Plan, a Restricted Stock Unit Award consisting of 39,152 restricted stock units (the "Restricted Stock Units"). Each Restricted Stock Unit represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan.

Section 2. Vesting of the Restricted Stock Units.

- (a) Generally. Except as otherwise provided herein, 1/3 of the Restricted Stock Units will vest on December 31, 2019, an additional 1/3 of the unvested Restricted Stock Units will vest on December 31, 2020 and the remaining 1/3 unvested Restricted Stock Units will vest on December 31, 2021, subject to Participant's continuous Service with the Company or a Subsidiary on each such date. For purposes of this Agreement, the continuous Service with the Company or a Subsidiary will not be deemed to have been interrupted, and Participant shall not be deemed to have ceased to be an employee of the Company or a Subsidiary, by reason of the transfer of Participant's employment among the Company and its Subsidiaries.
 - (b) Death; Disability. Notwithstanding Section 2(a), upon the occurrence of Participant's termination of Service due to Participant's death or Disability, the Restricted Stock Units shall vest as to the number of Restricted Stock Units that would otherwise have vested on the next applicable vesting date in accordance with Section 2(a) (assuming Participant had remained in continuous Service with the Company or a Subsidiary on such date).
 - (c) Termination Without Cause; Termination for Good Reason. Notwithstanding Section 2(a) or 2(b), upon the occurrence of Participant's termination of Service by the Company without Cause or Participant's termination of Service by Participant for Good Reason, the Restricted Stock Units shall fully vest.
 - (d) Change in Control. Upon the occurrence of a Change in Control, the Restricted Stock Units shall fully vest, except to the extent that a Replacement Award is provided to Participant in lieu of the Restricted Stock Units. If
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Participant receives a Replacement Award, upon the Involuntary Termination (as defined below) of Participant's Service upon or within two years following the consummation date of a Change in Control, the Replacement Award shall fully vest. For purposes of this Agreement, the term "Involuntary Termination" shall have the meaning set forth in the Plan but shall not include a termination of Participant's Service due to Participant's Retirement (as such term is defined in the Plan).

Section 3. Termination of Service. Subject to the provisions of Section 2, upon the occurrence of a termination of Participant's Service for any reason, all unvested Restricted Stock Units shall be forfeited and Participant shall not be entitled to any compensation or other amount with respect to such forfeited Restricted Stock Units.

Section 4. Settlement.

- (a) All vested Restricted Stock Units shall be settled within 30 days of the applicable vesting date by the Company's issuance and delivery to Participant (or Participant's beneficiary in the event of Participant's death) of a number of shares of Common Stock equal to the number of vested Restricted Stock Units; provided, however, that if the vesting date is a Change in Control and such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code and the regulations thereunder, and where Section 409A of the Code applies to such distribution, Participant is entitled to receive the corresponding payment on the date that would have otherwise applied upon vesting pursuant to Section 2(a), (b) or (c) as though such Change in Control had not occurred.
- (b) Notwithstanding anything in this Agreement to the contrary, if (i) Participant is a "specified employee" (within the meaning of Section 409A of the Code), (ii) the issuance of the shares of Common Stock pursuant to Section 4(a) is considered to be a "deferral of compensation" (as such phrase is defined for purposes of Section 409A of the Code) and (iii) such issuance is made by reason of the Participant's "separation from service" with the Company (determined in accordance with Section 409A of the Code), then Participant's date of issuance of the shares of Common Stock shall be the date that is the first day of the seventh month after the date of Participant's separation from service.

Section 5. Adjustments. The Restricted Stock Units granted hereunder shall be subject to the provisions of Section 4.2 of the Plan relating to adjustments for recapitalizations, reclassifications and other changes in the Company's corporate structure and for material corporate transactions; provided, however, for the avoidance of doubt, any dividends which are the subject of Dividend Equivalents shall not also be the cause of adjustments to the Restricted Stock Units pursuant to Section 4.2 of the Plan.

Section 6. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon Participant any right to continued Service with the Company or any Affiliate.

Section 7. Limitation of Rights. Participant shall not have any privileges of a stockholder of the Company with respect to any Restricted Stock Units, including, without limitation, any right to vote any shares of Common Stock underlying such Restricted Stock Units or to receive dividends or other distributions in respect thereof, unless and until there is a date of settlement and issuance to Participant of the underlying Common Stock. Notwithstanding the foregoing, the Restricted Stock Unit Award granted hereunder is hereby granted in tandem with corresponding dividend equivalents with respect to each share of Common Stock underlying the Restricted Stock Unit Award granted hereunder (each, a "Dividend Equivalent"), which Dividend Equivalent shall remain outstanding from the Grant Date until the earlier of the settlement or forfeiture of the Restricted Stock Unit to which it corresponds. Participant shall be entitled to accrue payments equal to dividends declared, if any, on the Common Stock underlying the Restricted Stock Unit to which such Dividend Equivalent relates, payable in cash and subject to the vesting of the Restricted Stock Unit to which it relates, at the time the Common Stock underlying the Restricted Stock Unit is settled and delivered to Participant pursuant to Section 4; provided, however, if any dividends or distributions are paid in shares of Common Stock, the shares of Common Stock shall be deposited with the Company, shall be deemed to be part of the Dividend Equivalent, and shall be subject to the same vesting requirements, restrictions on transferability and forfeitability as the Restricted Stock Units to which they correspond. Dividend Equivalents shall not entitle Participant to any payments relating to dividends declared after the earlier to occur of the settlement or forfeiture of the Restricted Stock Units underlying such Dividend Equivalents.

Section 8. Restrictions on Transfer. No Restricted Stock Units may be transferred, pledged, assigned, hypothecated or otherwise disposed of in any way by Participant, except by will or by the laws of descent and distribution. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Restricted Stock Units contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon any Restricted Stock Units, shall be null and void and without effect.

Section 9. Withholding Taxes. Participant shall be liable for any and all taxes and contributions of any kind required by law to be withheld or made with respect to the delivery of any shares of Common Stock under this Agreement. Unless the Committee determines otherwise, Participant's employer shall withhold from the shares of Common Stock otherwise issuable pursuant to the settlement of the Restricted Stock Units a number of shares of Common Stock sufficient to satisfy the amount of any such withholding obligation.

Section 10. Compliance With Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall

not be obligated to issue any of the shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law. Nothing in this Agreement or in the Plan prohibits or will be interpreted or construed to prohibit Participant from reporting any possible violation of federal law or regulation to any governmental agency or entity, including, but not limited to, the U.S. Department of Justice or the Securities and Exchange Commission, or providing testimony to or communicating with such agency or entity in the course of its investigation, or from making any other disclosures that are protected under the whistleblower provisions of federal law and regulation. Any such reports, testimony or disclosures do not require Participant to provide notice or receive the authorization or consent of the Company or the Board.

Section 11. Construction. The Restricted Stock Unit Award granted hereunder is granted pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. Participant hereby acknowledges that a copy of the Plan has been delivered to Participant and accepts the Restricted Stock Unit Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon Participant.

Section 12. Notices. Any notice hereunder by Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company at the Company's principal executive offices. Any notice hereunder by the Company shall be given to Participant in writing at the most recent address as Participant may have on file with the Company.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and administered in accordance with Section 409A of the Code. Notwithstanding any other provision of the Plan or this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A of the Code or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A of the Code shall be excluded from Section 409A of the Code to the maximum extent

possible. The Restricted Stock Units granted hereunder shall be subject to the provisions of Section 13.3 of the Plan. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code, and in no event shall the Company or any of its Subsidiaries or Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Participant on account of non-compliance with Section 409A of the Code.

Section 17. Entire Agreement. Participant acknowledges and agrees that this Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, superseding any and all prior agreements whether verbal or otherwise between the parties with respect to such subject matter.

Section 18. Forfeiture and Recapture. The Restricted Stock Unit Award will be subject to recoupment in accordance with any existing clawback or recoupment policy, or clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required under Section 10D of the Exchange Act or other applicable law. In addition, the Committee may impose such other clawback, recovery or recoupment provisions as the Committee determines necessary or appropriate, including, but not limited to, a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. The implementation of any clawback or recoupment policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

Section 19. Amendments. Any amendment to the Plan will be deemed to be an amendment to this Agreement to the extent that the amendment is applicable to this Agreement; provided, however, that, subject to the terms of the Plan, no amendment will materially impair the rights of Participant with respect to the Restricted Stock Units without Participant's consent. Notwithstanding the foregoing, the limitation requiring the consent of Participant to certain amendments will not apply to any amendment that is deemed necessary by the Company to ensure compliance with Section 409A.

Section 20. Severability. In the event that one or more of the provisions of this Agreement is invalidated for any reason by a court of competent jurisdiction, any provision so invalidated will be deemed to be separable from the other provisions of this Agreement, and the remaining provisions of this Agreement will continue to be valid and fully enforceable.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

TWIN RIVER WORLDWIDE HOLDINGS, INC.

By: /s/ GEORGE PAPANIER
Name: George Papanier
Title: President and CEO

PARTICIPANT

/s/ STEPHEN H. CAPP
Name: Stephen H. Capp

**RESTRICTED STOCK UNIT AWARD AGREEMENT
(PERFORMANCE-BASED)**

**Twin River Worldwide Holdings, Inc.
2015 Stock Incentive Plan**

This Award Agreement (this "Agreement") is made as of April 2, 2019 (the "Grant Date") between Twin River Worldwide Holdings, Inc. (the "Company"), and George T. Papanier ("Participant"), pursuant to the terms of the Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan (the "Plan"). Any capitalized term used herein but not defined herein shall have the meaning set forth in the Plan.

Section 1. Grant. The Company has granted to Participant, subject to the terms and conditions hereinafter set forth and in the Plan, a Restricted Stock Unit Award consisting of up to 40,784 restricted stock units, which shall become earned contingent upon the satisfaction of the performance, vesting and other conditions hereinafter set forth (the "Performance Stock Units"). Each Performance Stock Unit represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan.

Section 2. Earning of Performance Stock Units.

- (a) Generally. Except as otherwise provided herein, if Participant remains in continuous Service with the Company or a Subsidiary on January 1, 2020, 50% of the Performance Stock Units will become eligible to be earned with respect to the one-year performance period commencing January 1, 2019 and ending December 31, 2019 and if Participant remains in continuous Service with the Company or a Subsidiary on January 1, 2021, the remaining 50% of the Performance Stock Units will become eligible to be earned with respect to the one-year performance period commencing January 1, 2020 and ending December 31, 2020 (each one-year period, a "Performance Period"), in each case, based upon achievement of the applicable performance criteria (as set forth in the Statement of Performance Goals as approved by the Committee (the "Statement of Performance Goals") for such performance period indicated in the Statement of Performance Goals. Not later than 90 days following the commencement of the applicable Performance Period, the Committee shall specify the applicable performance goal(s) and achievement levels applicable to such Performance Period. For purposes of this Agreement, the continuous Service with the Company or a Subsidiary will not be deemed to have been interrupted, and Participant shall not be deemed to have ceased to be an employee of the Company or a
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Subsidiary, by reason of the transfer of Participant's employment among the Company and its Subsidiaries.

- (b) Determination of Earned Award. As soon as reasonably practicable following the completion of the applicable Performance Period, the Committee will determine, in its sole discretion, (i) whether and to what extent the applicable performance goal(s) have been satisfied and (ii) the number of Performance Stock Units that will become earned pursuant to the terms hereof (the "Earned Units"). Any Performance Stock Units subject to achievement during an applicable Performance Period that do not constitute Earned Units following the Committee's determination thereof with respect to such Performance Period will be automatically forfeited by Participant without consideration.
- (c) Death. Notwithstanding Sections 2(a) through 2(b), upon the occurrence of Participant's termination of Service due to Participant's death: (i) any Performance Stock Units attributable to any Performance Period that ended immediately prior to the date of Participant's termination of Service due to Participant's death that have not become Earned Units as of such termination date because the Committee has not yet made a determination pursuant to Section 2(b) shall immediately become Earned Units, assuming achievement of the applicable performance goal(s) at the target performance level, (ii) the Performance Stock Units attributable to the Performance Period during which such termination of Service occurs shall immediately become Earned Units on a pro-rata basis (based on the number of days of Participant's Service during the applicable Performance Period, as a fraction of the number of days in such Performance Period), assuming achievement of the applicable performance goal(s) at the target performance level, and (iii) all Performance Stock Units attributable to a Performance Period commencing immediately after the date of such termination of Service, if any, shall be automatically forfeited by Participant without consideration. Any Performance Stock Units that become Earned Units pursuant to this Section 2(c) shall be settled in accordance with Section 3(b).

- (d) Disability; Termination Without Cause; Termination for Good Reason. Notwithstanding Sections 2(a) and (b), upon the occurrence of Participant's termination of Service due to Participant's Disability, termination by the Company without Cause, or termination by Participant for Good Reason: (i) any Performance Stock Units attributable to any Performance Period that ended immediately prior to the date of Participant's termination of Service that have not become Earned Units because the Committee has not yet made a determination pursuant to Section 2(b) shall become Earned Units based upon actual achievement of the applicable performance goal(s) for such prior Performance Period, and (ii) all remaining Performance Stock Units attributable to the Performance Period during which such termination of Service occurs and any subsequent Performance Period shall also become Earned Units based upon actual achievement of the applicable performance goal(s) for each such Performance Period. Any Performance Stock Units that become Earned Units pursuant to this Section 2(d) shall be settled in accordance with Section 3(c).
- (e) Change in Control. Notwithstanding Sections 2(a) and 2(b), upon the consummation of a Change in Control: (i) any Performance Stock Units attributable to any Performance Period ending prior to the occurrence of the Change in Control that have not yet become Earned Units shall immediately become Earned Units, assuming achievement of the applicable performance goal(s) at the target performance level, and (ii) all remaining Performance Stock Units attributable to the Performance Period during which such Change in Control occurs and any subsequent Performance Period shall immediately become Earned Units, assuming achievement of the applicable performance goal(s) at the target performance level. Any Performance Stock Units that become Earned Units pursuant to this Section 2(e) shall be settled in accordance with Section 3(d).

Section 3. Termination of Service. Subject to the provisions of Section 2, upon the occurrence of a termination of Participant's Service for any reason, all unvested Performance Stock Units shall be forfeited and Participant shall not be entitled to any compensation or other amount with respect to such forfeited Performance Stock Units.

Section 4. Settlement of Earned Performance Stock Units.

- (a) General. All Earned Units for an applicable Performance Period shall be settled by the Company's issuance and delivery to Participant of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(a) for such Performance Period as soon as practicable following the Company's receipt of the audited financial statements for the applicable Performance Period and the Committee's subsequent certification of the applicable performance criteria set forth in the Statement of Performance Goals for the applicable Performance Period in accordance with Section 2(b) hereof, but in no event later than March 15 of the year following the end of the Performance Period for which the Earned Units were earned.
- (b) Death. Upon a termination of Service due to Participant's death, all Earned Units shall be settled within 30 days of Participant's death by the Company's issuance and delivery to Participant's beneficiary of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(c).
- (c) Disability; Termination Without Cause; Termination for Good Reason. Upon a termination of Service due to Participant's Disability, termination by the Company without Cause, or termination by Participant for Good Reason, all Earned Units attributable to a Performance Period shall be settled by the Company's issuance and delivery to Participant of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(d) with respect to each Performance Period as soon as practicable following the Company's receipt of the audited financial statements for the applicable Performance Period and the Committee's subsequent certification of the applicable performance criteria set forth in the Statement of Performance Goals for the applicable Performance Period, but in no event later than March 15 of the year following the end of the Performance Period for which the Earned Units were earned.
- (d) Change in Control. Upon the consummation of a Change in Control, all Earned Units shall be settled within 30 days of the consummation of the Change in Control by the Company's issuance and delivery to Participant of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(e); provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code and the regulations thereunder, and where Section 409A of the Code applies to such distribution, Participant

is entitled to receive the corresponding payment on the date that would have otherwise applied pursuant to Sections 2(b) through 2(d) as though such Change in Control had not occurred.

- (e) Notwithstanding anything in this Agreement to the contrary, if (i) Participant is a “specified employee” (within the meaning of Section 409A of the Code), (ii) the issuance of the shares of Common Stock under Section 4 is considered to be a “deferral of compensation” (as such phrase is defined for purposes of Section 409A of the Code), and (iii) such issuance is made by reason of the Participant’s “separation from service” with the Company (determined in accordance with Section 409A of the Code), then Participant’s date of issuance of the shares of Common Stock shall be the date that is the first day of the seventh month after the date of Participant’s separation from service.

Section 5. Adjustments. The Performance Stock Units granted hereunder shall be subject to the provisions of Section 4.2 of the Plan relating to adjustments for recapitalizations, reclassifications and other changes in the Company’s corporate structure and for material corporate transactions; provided, however, for the avoidance of doubt, any dividends which are the subject of Dividend Equivalents shall not also be the cause of adjustments to the Performance Stock Units pursuant to Section 4.2 of the Plan.

Section 6. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon Participant any right to continued Service with the Company or any Affiliate.

Section 7. Limitation of Rights. Participant shall not have any privileges of a stockholder of the Company with respect to any Performance Stock Units, including, without limitation, any right to vote any shares of Common Stock underlying such Performance Stock Units or to receive dividends or other distributions in respect thereof, unless and until there is a date of settlement and issuance to Participant of the underlying Common Stock. Notwithstanding the foregoing, the Performance Stock Unit Award granted hereunder is hereby granted in tandem with corresponding dividend equivalents with respect to each share of Common Stock underlying the Performance Stock Unit Award granted hereunder (each, a “Dividend Equivalent”), which Dividend Equivalent shall remain outstanding from the Grant Date until the earlier of the settlement or forfeiture of the Performance Stock Unit to which it corresponds. Participant shall be entitled to accrue payments equal to dividends declared, if any, on the Common Stock underlying the Performance Stock Unit to which such Dividend Equivalent relates, payable in cash and subject to the same vesting terms of the Performance Stock Unit to which it relates, at the

time the Common Stock underlying the Performance Stock Unit is settled and delivered to Participant pursuant to Section 4; provided, however, if any dividends or distributions are paid in shares of Common Stock, the shares of Common Stock shall be deposited with the Company, shall be deemed to be part of the Dividend Equivalent, and shall be subject to the same vesting requirements, restrictions on transferability and forfeitability as the Performance Stock Units to which they correspond. Dividend Equivalents shall not entitle Participant to any payments relating to dividends declared after the earlier to occur of the settlement or forfeiture of the Performance Stock Units underlying such Dividend Equivalents.

Section 8. Restrictions on Transfer. No Performance Stock Units may be transferred, pledged, assigned, hypothecated or otherwise disposed of in any way by Participant, except by will or by the laws of descent and distribution. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Performance Stock Units contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon any Performance Stock Units, shall be null and void and without effect.

Section 9. Withholding Taxes. Participant shall be liable for any and all taxes and contributions of any kind required by law to be withheld or made with respect to the delivery of any shares of Common Stock under this Agreement. Unless the Committee determines otherwise, Participant's employer shall withhold from the shares of Common Stock otherwise issuable pursuant to the settlement of the Performance Stock Units a number of shares of Common Stock sufficient to satisfy the amount of any such withholding obligation.

Section 10. Compliance With Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any of the shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law. Nothing in this Agreement or in the Plan prohibits or will be interpreted or construed to prohibit Participant from reporting any possible violation of federal law or regulation to any governmental agency or entity, including, but not limited to, the U.S. Department of Justice or the Securities and Exchange Commission, or providing testimony to or communicating with such agency or entity in the course of its investigation, or from making any other disclosures that are protected under the whistleblower provisions of federal law and regulation. Any such reports, testimony or disclosures do not require Participant to provide notice or receive the authorization or consent of the Company or the Board.

Section 11. Construction. The Performance Stock Unit Award granted hereunder is granted pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. Participant hereby acknowledges that a copy of the Plan has been delivered to Participant and accepts the Performance Stock Unit Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon Participant.

Section 12. Notices. Any notice hereunder by Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company at the Company's principal executive offices. Any notice hereunder by the Company shall be given to Participant in writing at the most recent address as Participant may have on file with the Company.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and administered in accordance with Section 409A of the Code. Notwithstanding any other provision of the Plan or this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A of the Code an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A of the Code shall be excluded from Section 409A of the Code to the maximum extent possible. The Performance Stock Units granted hereunder shall be subject to the provisions of Section 13.3 of the Plan. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code, and in no event shall the Company or any of its Subsidiaries or Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses

that may be incurred by Participant on account of non-compliance with Section 409A of the Code.

Section 17. Entire Agreement. Participant acknowledges and agrees that this Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, superseding any and all prior agreements whether verbal or otherwise between the parties with respect to such subject matter.

Section 18. Forfeiture and Recapture. The Performance Stock Unit Award will be subject to recoupment in accordance with any existing clawback or recoupment policy, or clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required under Section 10D of the Exchange Act or other applicable law. In addition, the Committee may impose such other clawback, recovery or recoupment provisions as the Committee determines necessary or appropriate, including, but not limited to, a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. The implementation of any clawback or recoupment policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

Section 19. Amendments. Any amendment to the Plan will be deemed to be an amendment to this Agreement to the extent that the amendment is applicable to this Agreement; provided, however, that, subject to the terms of the Plan, no amendment will materially impair the rights of Participant with respect to the Performance Stock Units without Participant's consent. Notwithstanding the foregoing, the limitation requiring the consent of Participant to certain amendments will not apply to any amendment that is deemed necessary by the Company to ensure compliance with Section 409A.

Section 20. Severability. In the event that one or more of the provisions of this Agreement is invalidated for any reason by a court of competent jurisdiction, any provision so invalidated will be deemed to be separable from the other provisions of this Agreement, and the remaining provisions of this Agreement will continue to be valid and fully enforceable.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

TWIN RIVER WORLDWIDE HOLDINGS, INC.

By: /s/ CRAIG EATON
Name: Craig Eaton
Title: Executive VP and General Counsel

PARTICIPANT

/s/ GEORGE T. PAPANIER
Name: George T. Papanier

Statement of Performance Goals
2019 and 2020 Performance Periods

[Omitted.]

**RESTRICTED STOCK UNIT AWARD AGREEMENT
(PERFORMANCE-BASED)**

**Twin River Worldwide Holdings, Inc.
2015 Stock Incentive Plan**

This Award Agreement (this “Agreement”) is made as of April 2, 2019 (the “Grant Date”) between Twin River Worldwide Holdings, Inc. (the “Company”), and Stephen H. Capp (“Participant”), pursuant to the terms of the Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan (the “Plan”). Any capitalized term used herein but not defined herein shall have the meaning set forth in the Plan.

Section 1. Grant. The Company has granted to Participant, subject to the terms and conditions hereinafter set forth and in the Plan, a Restricted Stock Unit Award consisting of up to 39,152 restricted stock units, which shall become earned contingent upon the satisfaction of the performance, vesting and other conditions hereinafter set forth (the “Performance Stock Units”). Each Performance Stock Unit represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan.

Section 2. Earning of Performance Stock Units.

- (a) Generally. Except as otherwise provided herein, if Participant remains in continuous Service with the Company or a Subsidiary on January 1, 2020, 1/3 of the Performance Stock Units will become eligible to be earned with respect to the one-year performance period commencing January 1, 2019 and ending December 31, 2019, if Participant remains in continuous Service with the Company or a Subsidiary on January 1, 2021, an additional 1/3 will become eligible to be earned with respect to the one-year performance period commencing January 1, 2020 and ending December 31, 2020, and if Participant remains in continuous Service with the Company or a Subsidiary on January 1, 2022, the remaining 1/3 of the Performance Stock Units will become eligible to be earned with respect to the one-year performance period commencing January 1, 2021 and ending December 31, 2021 (each one-year period, a “Performance Period”), in each case, based upon achievement of the applicable performance criteria (as set forth in the Statement of Performance Goals as approved by the Committee (the “Statement of Performance Goals”) for such performance period indicated in the Statement of Performance Goals. Not later than 90 days following the commencement
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of the applicable Performance Period, the Committee shall specify the applicable performance goal(s) and achievement levels applicable to such Performance Period. For purposes of this Agreement, the continuous Service with the Company or a Subsidiary will not be deemed to have been interrupted, and Participant shall not be deemed to have ceased to be an employee of the Company or a Subsidiary, by reason of the transfer of Participant's employment among the Company and its Subsidiaries.

- (b) Determination of Earned Award. As soon as reasonably practicable following the completion of the applicable Performance Period, the Committee will determine, in its sole discretion, (i) whether and to what extent the applicable performance goal(s) have been satisfied and (ii) the number of Performance Stock Units that will become earned pursuant to the terms hereof (the "Earned Units"). Any Performance Stock Units subject to achievement during an applicable Performance Period that do not constitute Earned Units following the Committee's determination thereof with respect to such Performance Period will be automatically forfeited by Participant without consideration.

- (c) Death. Notwithstanding Sections 2(a) through 2(b), upon the occurrence of Participant's termination of Service due to Participant's death: (i) any Performance Stock Units attributable to any Performance Period that ended immediately prior to the date of Participant's termination of Service due to Participant's death that have not become Earned Units as of such termination date because the Committee has not yet made a determination pursuant to Section 2(b) shall immediately become Earned Units, assuming achievement of the applicable performance goal(s) at the target performance level, (ii) the Performance Stock Units attributable to the Performance Period during which such termination of Service occurs shall immediately become Earned Units on a pro-rata basis (based on the number of days of Participant's Service during the applicable Performance Period, as a fraction of the number of days in such Performance Period), assuming achievement of the applicable performance goal(s) at the target performance level, and (iii) all Performance Stock Units attributable to a Performance Period commencing immediately after the date of such termination of Service, if any, shall be automatically forfeited by Participant without consideration. Any Performance Stock Units

that become Earned Units pursuant to this Section 2(c) shall be settled in accordance with Section 3(b).

- (d) Disability; Termination Without Cause; Termination for Good Reason. Notwithstanding Sections 2(a) and (b), upon the occurrence of Participant's termination of Service due to Participant's Disability, termination by the Company without Cause, or termination by Participant for Good Reason: (i) any Performance Stock Units attributable to any Performance Period that ended immediately prior to the date of Participant's termination of Service that have not become Earned Units because the Committee has not yet made a determination pursuant to Section 2(b) shall become Earned Units based upon actual achievement of the applicable performance goal(s) for such prior Performance Period, and (ii) all remaining Performance Stock Units attributable to the Performance Period during which such termination of Service occurs and any subsequent Performance Period shall also become Earned Units based upon actual achievement of the applicable performance goal(s) for each such Performance Period. Any Performance Stock Units that become Earned Units pursuant to this Section 2(d) shall be settled in accordance with Section 3(c).
- (e) Change in Control. Notwithstanding Sections 2(a) and 2(b), upon the consummation of a Change in Control: (i) any Performance Stock Units attributable to any Performance Period ending prior to the occurrence of the Change in Control that have not yet become Earned Units shall immediately become Earned Units, assuming achievement of the applicable performance goal(s) at the target performance level, and (ii) all remaining Performance Stock Units attributable to the Performance Period during which such Change in Control occurs and any subsequent Performance Period shall immediately become Earned Units, assuming achievement of the applicable performance goal(s) at the target performance level. Any Performance Stock Units that become Earned Units pursuant to this Section 2(e) shall be settled in accordance with Section 3(d).

Section 3. Termination of Service. Subject to the provisions of Section 2, upon the occurrence of a termination of Participant's Service for any reason, all unvested

Performance Stock Units shall be forfeited and Participant shall not be entitled to any compensation or other amount with respect to such forfeited Performance Stock Units.

Section 4. Settlement of Earned Performance Stock Units.

- (a) General. All Earned Units for an applicable Performance Period shall be settled by the Company's issuance and delivery to Participant of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(a) for such Performance Period as soon as practicable following the Company's receipt of the audited financial statements for the applicable Performance Period and the Committee's subsequent certification of the applicable performance criteria set forth in the Statement of Performance Goals for the applicable Performance Period in accordance with Section 2(b) hereof, but in no event later than March 15 of the year following the end of the Performance Period for which the Earned Units were earned.
- (b) Death. Upon a termination of Service due to Participant's death, all Earned Units shall be settled within 30 days of Participant's death by the Company's issuance and delivery to Participant's beneficiary of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(c).
- (c) Disability; Termination Without Cause; Termination for Good Reason. Upon a termination of Service due to Participant's Disability, termination by the Company without Cause, or termination by Participant for Good Reason, all Earned Units attributable to a Performance Period shall be settled by the Company's issuance and delivery to Participant of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(d) with respect to each Performance Period as soon as practicable following the Company's receipt of the audited financial statements for the applicable Performance Period and the Committee's subsequent certification of the applicable performance criteria set forth in the Statement of Performance Goals for the applicable Performance Period, but in no event later than March 15 of the year following the end of the Performance Period for which the Earned Units were earned.
- (d) Change in Control. Upon the consummation of a Change in Control, all Earned Units shall be settled within 30 days of the consummation of the Change in Control by the Company's issuance and delivery to Participant of

a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(e); provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code and the regulations thereunder, and where Section 409A of the Code applies to such distribution, Participant is entitled to receive the corresponding payment on the date that would have otherwise applied pursuant to Sections 2(b) through 2(d) as though such Change in Control had not occurred.

- (e) Notwithstanding anything in this Agreement to the contrary, if (i) Participant is a “specified employee” (within the meaning of Section 409A of the Code), (ii) the issuance of the shares of Common Stock under Section 4 is considered to be a “deferral of compensation” (as such phrase is defined for purposes of Section 409A of the Code), and (iii) such issuance is made by reason of the Participant’s “separation from service” with the Company (determined in accordance with Section 409A of the Code), then Participant’s date of issuance of the shares of Common Stock shall be the date that is the first day of the seventh month after the date of Participant’s separation from service.

Section 5. Adjustments. The Performance Stock Units granted hereunder shall be subject to the provisions of Section 4.2 of the Plan relating to adjustments for recapitalizations, reclassifications and other changes in the Company’s corporate structure and for material corporate transactions; provided, however, for the avoidance of doubt, any dividends which are the subject of Dividend Equivalents shall not also be the cause of adjustments to the Performance Stock Units pursuant to Section 4.2 of the Plan.

Section 6. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon Participant any right to continued Service with the Company or any Affiliate.

Section 7. Limitation of Rights. Participant shall not have any privileges of a stockholder of the Company with respect to any Performance Stock Units, including, without limitation, any right to vote any shares of Common Stock underlying such Performance Stock Units or to receive dividends or other distributions in respect thereof, unless and until there is a date of settlement and issuance to Participant of the underlying Common Stock. Notwithstanding the foregoing, the Performance Stock Unit Award granted hereunder is hereby granted in tandem with corresponding dividend equivalents with respect to each share of Common Stock underlying the Performance Stock Unit Award granted hereunder (each, a “Dividend Equivalent”), which Dividend Equivalent shall remain

outstanding from the Grant Date until the earlier of the settlement or forfeiture of the Performance Stock Unit to which it corresponds. Participant shall be entitled to accrue payments equal to dividends declared, if any, on the Common Stock underlying the Performance Stock Unit to which such Dividend Equivalent relates, payable in cash and subject to the same vesting terms of the Performance Stock Unit to which it relates, at the time the Common Stock underlying the Performance Stock Unit is settled and delivered to Participant pursuant to Section 4; provided, however, if any dividends or distributions are paid in shares of Common Stock, the shares of Common Stock shall be deposited with the Company, shall be deemed to be part of the Dividend Equivalent, and shall be subject to the same vesting requirements, restrictions on transferability and forfeitability as the Performance Stock Units to which they correspond. Dividend Equivalents shall not entitle Participant to any payments relating to dividends declared after the earlier to occur of the settlement or forfeiture of the Performance Stock Units underlying such Dividend Equivalents.

Section 8. Restrictions on Transfer. No Performance Stock Units may be transferred, pledged, assigned, hypothecated or otherwise disposed of in any way by Participant, except by will or by the laws of descent and distribution. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Performance Stock Units contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon any Performance Stock Units, shall be null and void and without effect.

Section 9. Withholding Taxes. Participant shall be liable for any and all taxes and contributions of any kind required by law to be withheld or made with respect to the delivery of any shares of Common Stock under this Agreement. Unless the Committee determines otherwise, Participant's employer shall withhold from the shares of Common Stock otherwise issuable pursuant to the settlement of the Performance Stock Units a number of shares of Common Stock sufficient to satisfy the amount of any such withholding obligation.

Section 10. Compliance With Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any of the shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law. Nothing in this Agreement or in the Plan prohibits or will be interpreted or construed to prohibit Participant from reporting any possible violation of federal law or regulation to any governmental agency or entity, including, but not limited to, the U.S. Department of Justice or the Securities and Exchange Commission, or providing testimony to or communicating with such agency or entity in the course of its investigation, or from making any other disclosures that are

protected under the whistleblower provisions of federal law and regulation. Any such reports, testimony or disclosures do not require Participant to provide notice or receive the authorization or consent of the Company or the Board.

Section 11. Construction. The Performance Stock Unit Award granted hereunder is granted pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. Participant hereby acknowledges that a copy of the Plan has been delivered to Participant and accepts the Performance Stock Unit Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon Participant.

Section 12. Notices. Any notice hereunder by Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company at the Company's principal executive offices. Any notice hereunder by the Company shall be given to Participant in writing at the most recent address as Participant may have on file with the Company.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and administered in accordance with Section 409A of the Code. Notwithstanding any other provision of the Plan or this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A of the Code an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A of the Code shall be excluded from Section 409A of the Code to the maximum extent possible. The Performance Stock Units granted hereunder shall be subject to the provisions of Section 13.3 of the Plan. Notwithstanding the foregoing, the Company makes no

representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code, and in no event shall the Company or any of its Subsidiaries or Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Participant on account of non-compliance with Section 409A of the Code.

Section 17. Entire Agreement. Participant acknowledges and agrees that this Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, superseding any and all prior agreements whether verbal or otherwise between the parties with respect to such subject matter.

Section 18. Forfeiture and Recapture. The Performance Stock Unit Award will be subject to recoupment in accordance with any existing clawback or recoupment policy, or clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required under Section 10D of the Exchange Act or other applicable law. In addition, the Committee may impose such other clawback, recovery or recoupment provisions as the Committee determines necessary or appropriate, including, but not limited to, a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. The implementation of any clawback or recoupment policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

Section 19. Amendments. Any amendment to the Plan will be deemed to be an amendment to this Agreement to the extent that the amendment is applicable to this Agreement; provided, however, that, subject to the terms of the Plan, no amendment will materially impair the rights of Participant with respect to the Performance Stock Units without Participant's consent. Notwithstanding the foregoing, the limitation requiring the consent of Participant to certain amendments will not apply to any amendment that is deemed necessary by the Company to ensure compliance with Section 409A.

Section 20. Severability. In the event that one or more of the provisions of this Agreement is invalidated for any reason by a court of competent jurisdiction, any provision so invalidated will be deemed to be separable from the other provisions of this Agreement, and the remaining provisions of this Agreement will continue to be valid and fully enforceable.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

TWIN RIVER WORLDWIDE HOLDINGS, INC.

By: /s/ GEORGE PAPANIER

Name: George Papanier

Title: President and CEO

PARTICIPANT

/s/ STEPHEN H. CAPP

Name: Stephen H. Capp

Statement of Performance Goals
2019 and 2020 Performance Periods

[Omitted.]

RESTRICTED STOCK UNIT AWARD AGREEMENT (PERFORMANCE-BASED)

Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan

This Award Agreement (this "Agreement") is made as of _____ (the "Grant Date") between Twin River Worldwide Holdings, Inc. (the "Company"), and _____ ("Participant"), pursuant to the terms of the Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan (the "Plan"). Any capitalized term used herein but not defined herein shall have the meaning set forth in the Plan.

Section 1. Grant. The Company has granted to Participant, subject to the terms and conditions hereinafter set forth and in the Plan, a Restricted Stock Unit Award consisting of up to _____ restricted stock units, which shall become earned contingent upon the satisfaction of the performance, vesting and other conditions hereinafter set forth (the "Performance Stock Units"). Each Performance Stock Unit represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan.

Section 2. Earning of Performance Stock Units.

- (a) Generally. Except as otherwise provided herein, if Participant remains in continuous Service with the Company or a Subsidiary on January 1, ____, ____, of the Performance Stock Units will become eligible to be earned with respect to the one-year performance period commencing January 1, ____ and ending December 31, ____ and if Participant remains in continuous Service with the Company or a Subsidiary on January 1, ____, the remaining ____ of the Performance Stock Units will become eligible to be earned with respect to the one-year performance period commencing January 1, ____ and ending December 31, ____ (each one-year period, a "Performance Period"), in each case, based upon achievement of the applicable performance criteria (as set forth in the Statement of Performance Goals as approved by the Committee (the "Statement of Performance Goals") for such performance period indicated in the Statement of Performance Goals. Not later than 90 days following the commencement of the applicable Performance Period, the Committee shall specify the applicable performance goal(s) and achievement levels applicable to such Performance Period. For purposes of this Agreement, the continuous Service with the Company or a Subsidiary will not be deemed to have been interrupted, and Participant shall not be deemed to have ceased to be an employee of the Company or a
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Subsidiary, by reason of the transfer of Participant's employment among the Company and its Subsidiaries.

- (b) Determination of Earned Award. As soon as reasonably practicable following the completion of the applicable Performance Period, the Committee will determine, in its sole discretion, (i) whether and to what extent the applicable performance goal(s) have been satisfied and (ii) the number of Performance Stock Units that will become earned pursuant to the terms hereof (the "Earned Units"). Any Performance Stock Units subject to achievement during an applicable Performance Period that do not constitute Earned Units following the Committee's determination thereof with respect to such Performance Period will be automatically forfeited by Participant without consideration.
- (c) Death. Notwithstanding Sections 2(a) through 2(b), upon the occurrence of Participant's termination of Service due to Participant's death: (i) any Performance Stock Units attributable to any Performance Period that ended immediately prior to the date of Participant's termination of Service due to Participant's death that have not become Earned Units as of such termination date because the Committee has not yet made a determination pursuant to Section 2(b) shall immediately become Earned Units, assuming achievement of the applicable performance goal(s) at the target performance level, (ii) the Performance Stock Units attributable to the Performance Period during which such termination of Service occurs shall immediately become Earned Units on a pro-rata basis (based on the number of days of Participant's Service during the applicable Performance Period, as a fraction of the number of days in such Performance Period), assuming achievement of the applicable performance goal(s) at the target performance level, and (iii) all Performance Stock Units attributable to a Performance Period commencing immediately after the date of such termination of Service, if any, shall be automatically forfeited by Participant without consideration. Any Performance Stock Units that become Earned Units pursuant to this Section 2(c) shall be settled in accordance with Section 3(b).

- (d) Disability; Termination Without Cause; Termination for Good Reason. Notwithstanding Sections 2(a) and (b), upon the occurrence of Participant's termination of Service due to Participant's Disability, termination by the Company without Cause, or termination by Participant for Good Reason: (i) any Performance Stock Units attributable to any Performance Period that ended immediately prior to the date of Participant's termination of Service that have not become Earned Units because the Committee has not yet made a determination pursuant to Section 2(b) shall become Earned Units based upon actual achievement of the applicable performance goal(s) for such prior Performance Period, and (ii) all remaining Performance Stock Units attributable to the Performance Period during which such termination of Service occurs and any subsequent Performance Period shall also become Earned Units based upon actual achievement of the applicable performance goal(s) for each such Performance Period. Any Performance Stock Units that become Earned Units pursuant to this Section 2(d) shall be settled in accordance with Section 3(c).
- (e) Change in Control. Notwithstanding Sections 2(a) and 2(b), upon the consummation of a Change in Control: (i) any Performance Stock Units attributable to any Performance Period ending prior to the occurrence of the Change in Control that have not yet become Earned Units shall immediately become Earned Units, assuming achievement of the applicable performance goal(s) at the target performance level, and (ii) all remaining Performance Stock Units attributable to the Performance Period during which such Change in Control occurs and any subsequent Performance Period shall immediately become Earned Units, assuming achievement of the applicable performance goal(s) at the target performance level. Any Performance Stock Units that become Earned Units pursuant to this Section 2(e) shall be settled in accordance with Section 3(d).

Section 3. Termination of Service. Subject to the provisions of Section 2, upon the occurrence of a termination of Participant's Service for any reason, all unvested Performance Stock Units shall be forfeited and Participant shall not be entitled to any compensation or other amount with respect to such forfeited Performance Stock Units.

Section 4. Settlement of Earned Performance Stock Units.

- (a) General. All Earned Units for an applicable Performance Period shall be settled by the Company's issuance and delivery to Participant of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(a) for such Performance Period as soon as practicable following the Company's receipt of the audited financial statements for the applicable Performance Period and the Committee's subsequent certification of the applicable performance criteria set forth in the Statement of Performance Goals for the applicable Performance Period in accordance with Section 2(b) hereof, but in no event later than March 15 of the year following the end of the Performance Period for which the Earned Units were earned.
- (b) Death. Upon a termination of Service due to Participant's death, all Earned Units shall be settled within 30 days of Participant's death by the Company's issuance and delivery to Participant's beneficiary of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(c).
- (c) Disability; Termination Without Cause; Termination for Good Reason. Upon a termination of Service due to Participant's Disability, termination by the Company without Cause, or termination by Participant for Good Reason, all Earned Units attributable to a Performance Period shall be settled by the Company's issuance and delivery to Participant of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(d) with respect to each Performance Period as soon as practicable following the Company's receipt of the audited financial statements for the applicable Performance Period and the Committee's subsequent certification of the applicable performance criteria set forth in the Statement of Performance Goals for the applicable Performance Period, but in no event later than March 15 of the year following the end of the Performance Period for which the Earned Units were earned.
- (d) Change in Control. Upon the consummation of a Change in Control, all Earned Units shall be settled within 30 days of the consummation of the Change in Control by the Company's issuance and delivery to Participant of a number of shares of Common Stock equal to the number of Earned Units that became earned pursuant to Section 2(e); provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code and the regulations thereunder, and where Section 409A of the Code applies to such distribution, Participant

is entitled to receive the corresponding payment on the date that would have otherwise applied pursuant to Sections 2(b) through 2(d) as though such Change in Control had not occurred.

- (e) Notwithstanding anything in this Agreement to the contrary, if (i) Participant is a “specified employee” (within the meaning of Section 409A of the Code), (ii) the issuance of the shares of Common Stock under Section 4 is considered to be a “deferral of compensation” (as such phrase is defined for purposes of Section 409A of the Code), and (iii) such issuance is made by reason of the Participant’s “separation from service” with the Company (determined in accordance with Section 409A of the Code), then Participant’s date of issuance of the shares of Common Stock shall be the date that is the first day of the seventh month after the date of Participant’s separation from service.

Section 5. Adjustments. The Performance Stock Units granted hereunder shall be subject to the provisions of Section 4.2 of the Plan relating to adjustments for recapitalizations, reclassifications and other changes in the Company’s corporate structure and for material corporate transactions; provided, however, for the avoidance of doubt, any dividends which are the subject of Dividend Equivalents shall not also be the cause of adjustments to the Performance Stock Units pursuant to Section 4.2 of the Plan.

Section 6. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon Participant any right to continued Service with the Company or any Affiliate.

Section 7. Limitation of Rights. Participant shall not have any privileges of a stockholder of the Company with respect to any Performance Stock Units, including, without limitation, any right to vote any shares of Common Stock underlying such Performance Stock Units or to receive dividends or other distributions in respect thereof, unless and until there is a date of settlement and issuance to Participant of the underlying Common Stock. Notwithstanding the foregoing, the Performance Stock Unit Award granted hereunder is hereby granted in tandem with corresponding dividend equivalents with respect to each share of Common Stock underlying the Performance Stock Unit Award granted hereunder (each, a “Dividend Equivalent”), which Dividend Equivalent shall remain outstanding from the Grant Date until the earlier of the settlement or forfeiture of the Performance Stock Unit to which it corresponds. Participant shall be entitled to accrue payments equal to dividends declared, if any, on the Common Stock underlying the Performance Stock Unit to which such Dividend Equivalent relates, payable in cash and subject to the same vesting terms of the Performance Stock Unit to which it relates, at the

time the Common Stock underlying the Performance Stock Unit is settled and delivered to Participant pursuant to Section 4; provided, however, if any dividends or distributions are paid in shares of Common Stock, the shares of Common Stock shall be deposited with the Company, shall be deemed to be part of the Dividend Equivalent, and shall be subject to the same vesting requirements, restrictions on transferability and forfeitability as the Performance Stock Units to which they correspond. Dividend Equivalents shall not entitle Participant to any payments relating to dividends declared after the earlier to occur of the settlement or forfeiture of the Performance Stock Units underlying such Dividend Equivalents.

Section 8. Restrictions on Transfer. No Performance Stock Units may be transferred, pledged, assigned, hypothecated or otherwise disposed of in any way by Participant, except by will or by the laws of descent and distribution. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Performance Stock Units contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon any Performance Stock Units, shall be null and void and without effect.

Section 9. Withholding Taxes. Participant shall be liable for any and all taxes and contributions of any kind required by law to be withheld or made with respect to the delivery of any shares of Common Stock under this Agreement. Unless the Committee determines otherwise, Participant's employer shall withhold from the shares of Common Stock otherwise issuable pursuant to the settlement of the Performance Stock Units a number of shares of Common Stock sufficient to satisfy the amount of any such withholding obligation.

Section 10. Compliance With Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any of the shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law. Nothing in this Agreement or in the Plan prohibits or will be interpreted or construed to prohibit Participant from reporting any possible violation of federal law or regulation to any governmental agency or entity, including, but not limited to, the U.S. Department of Justice or the Securities and Exchange Commission, or providing testimony to or communicating with such agency or entity in the course of its investigation, or from making any other disclosures that are protected under the whistleblower provisions of federal law and regulation. Any such reports, testimony or disclosures do not require Participant to provide notice or receive the authorization or consent of the Company or the Board.

Section 11. Construction. The Performance Stock Unit Award granted hereunder is granted pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. Participant hereby acknowledges that a copy of the Plan has been delivered to Participant and accepts the Performance Stock Unit Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon Participant.

Section 12. Notices. Any notice hereunder by Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company at the Company's principal executive offices. Any notice hereunder by the Company shall be given to Participant in writing at the most recent address as Participant may have on file with the Company.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and administered in accordance with Section 409A of the Code. Notwithstanding any other provision of the Plan or this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A of the Code an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A of the Code shall be excluded from Section 409A of the Code to the maximum extent possible. The Performance Stock Units granted hereunder shall be subject to the provisions of Section 13.3 of the Plan. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code, and in no event shall the Company or any of its Subsidiaries or Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses

that may be incurred by Participant on account of non-compliance with Section 409A of the Code.

Section 17. Entire Agreement. Participant acknowledges and agrees that this Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, superseding any and all prior agreements whether verbal or otherwise between the parties with respect to such subject matter.

Section 18. Forfeiture and Recapture. The Performance Stock Unit Award will be subject to recoupment in accordance with any existing clawback or recoupment policy, or clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required under Section 10D of the Exchange Act or other applicable law. In addition, the Committee may impose such other clawback, recovery or recoupment provisions as the Committee determines necessary or appropriate, including, but not limited to, a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. The implementation of any clawback or recoupment policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

Section 19. Amendments. Any amendment to the Plan will be deemed to be an amendment to this Agreement to the extent that the amendment is applicable to this Agreement; provided, however, that, subject to the terms of the Plan, no amendment will materially impair the rights of Participant with respect to the Performance Stock Units without Participant's consent. Notwithstanding the foregoing, the limitation requiring the consent of Participant to certain amendments will not apply to any amendment that is deemed necessary by the Company to ensure compliance with Section 409A.

Section 20. Severability. In the event that one or more of the provisions of this Agreement is invalidated for any reason by a court of competent jurisdiction, any provision so invalidated will be deemed to be separable from the other provisions of this Agreement, and the remaining provisions of this Agreement will continue to be valid and fully enforceable.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

TWIN RIVER WORLDWIDE HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

Name:

**Statement of Performance Goals
and Performance Periods**

[To be determined.]

RESTRICTED STOCK UNIT AWARD AGREEMENT

Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan

This Award Agreement (this "Agreement") is made as of _____ (the "Grant Date") between Twin River Worldwide Holdings, Inc. (the "Company"), and _____ ("Participant"), pursuant to the terms of the Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan (the "Plan"). Any capitalized term used herein but not defined herein shall have the meaning set forth in the Plan.

Section 1. Grant of Restricted Stock Units. The Company has granted to Participant, subject to the terms and conditions hereinafter set forth and in the Plan, a Restricted Stock Unit Award consisting of _____ restricted stock units (the "Restricted Stock Units"). Each Restricted Stock Unit represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan.

Section 2. Vesting of the Restricted Stock Units.

- (a) Generally. Except as otherwise provided herein, ____ of the Restricted Stock Units will vest on December 31, ____ and the remaining ____ unvested Restricted Stock Units will vest on December 31, ____, subject to Participant's continuous Service with the Company or a Subsidiary on each such date. For purposes of this Agreement, the continuous Service with the Company or a Subsidiary will not be deemed to have been interrupted, and Participant shall not be deemed to have ceased to be an employee of the Company or a Subsidiary, by reason of the transfer of Participant's employment among the Company and its Subsidiaries.
 - (b) Death; Disability. Notwithstanding Section 2(a), upon the occurrence of Participant's termination of Service due to Participant's death or Disability, the Restricted Stock Units shall vest as to the number of Restricted Stock Units that would otherwise have vested on the next applicable vesting date in accordance with Section 2(a) (assuming Participant had remained in continuous Service with the Company or a Subsidiary on such date).
 - (c) Termination Without Cause; Termination for Good Reason. Notwithstanding Section 2(a) or 2(b), upon the occurrence of Participant's termination of Service by the Company without Cause or Participant's termination of Service by Participant for Good Reason, the Restricted Stock Units shall fully vest.
 - (d) Change in Control. Upon the occurrence of a Change in Control, the Restricted Stock Units shall fully vest, except to the extent that a Replacement Award is provided to Participant in lieu of the Restricted Stock Units. If Participant receives a Replacement Award, upon the Involuntary Termination
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(as defined below) of Participant's Service upon or within two years following the consummation date of a Change in Control, the Replacement Award shall fully vest. For purposes of this Agreement, the term "Involuntary Termination" shall have the meaning set forth in the Plan but shall not include a termination of Participant's Service due to Participant's Retirement (as such term is defined in the Plan).

Section 3. Termination of Service. Except as subject to the provisions of Section 2, upon the occurrence of a termination of Participant's Service for any other reason, all unvested Restricted Stock Units shall be forfeited and Participant shall not be entitled to any compensation or other amount with respect to such forfeited Restricted Stock Units.

Section 4. Settlement.

- (a) All vested Restricted Stock Units shall be settled within 30 days of the applicable vesting date by the Company's issuance and delivery to Participant (or Participant's beneficiary in the event of Participant's death) of a number of shares of Common Stock equal to the number of vested Restricted Stock Units; provided, however, that if the vesting date is a Change in Control and such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code and the regulations thereunder, and where Section 409A of the Code applies to such distribution, Participant is entitled to receive the corresponding payment on the date that would have otherwise applied upon vesting pursuant to Section 2(a), (b) or (c) as though such Change in Control had not occurred.
- (b) Notwithstanding anything in this Agreement to the contrary, if (i) Participant is a "specified employee" (within the meaning of Section 409A of the Code), (ii) the issuance of the shares of Common Stock pursuant to Section 4(a) is considered to be a "deferral of compensation" (as such phrase is defined for purposes of Section 409A of the Code) and (iii) such issuance is made by reason of the Participant's "separation from service" with the Company (determined in accordance with Section 409A of the Code), then Participant's date of issuance of the shares of Common Stock shall be the date that is the first day of the seventh month after the date of Participant's separation from service.

Section 5. Adjustments. The Restricted Stock Units granted hereunder shall be subject to the provisions of Section 4.2 of the Plan relating to adjustments for recapitalizations, reclassifications and other changes in the Company's corporate structure and for material corporate transactions; provided, however, for the avoidance of doubt, any dividends which are the subject of Dividend Equivalents shall not also be the cause of adjustments to the Restricted Stock Units pursuant to Section 4.2 of the Plan.

Section 6. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon Participant any right to continued Service with the Company or any Affiliate.

Section 7. Limitation of Rights. Participant shall not have any privileges of a stockholder of the Company with respect to any Restricted Stock Units, including, without limitation, any right to vote any shares of Common Stock underlying such Restricted Stock Units or to receive dividends or other distributions in respect thereof, unless and until there is a date of settlement and issuance to Participant of the underlying Common Stock. Notwithstanding the foregoing, the Restricted Stock Unit Award granted hereunder is hereby granted in tandem with corresponding dividend equivalents with respect to each share of Common Stock underlying the Restricted Stock Unit Award granted hereunder (each, a "Dividend Equivalent"), which Dividend Equivalent shall remain outstanding from the Grant Date until the earlier of the settlement or forfeiture of the Restricted Stock Unit to which it corresponds. Participant shall be entitled to accrue payments equal to dividends declared, if any, on the Common Stock underlying the Restricted Stock Unit to which such Dividend Equivalent relates, payable in cash and subject to the vesting of the Restricted Stock Unit to which it relates, at the time the Common Stock underlying the Restricted Stock Unit is settled and delivered to Participant pursuant to Section 4; provided, however, if any dividends or distributions are paid in shares of Common Stock, the shares of Common Stock shall be deposited with the Company, shall be deemed to be part of the Dividend Equivalent, and shall be subject to the same vesting requirements, restrictions on transferability and forfeitability as the Restricted Stock Units to which they correspond. Dividend Equivalents shall not entitle Participant to any payments relating to dividends declared after the earlier to occur of the settlement or forfeiture of the Restricted Stock Units underlying such Dividend Equivalents.

Section 8. Restrictions on Transfer. No Restricted Stock Units may be transferred, pledged, assigned, hypothecated or otherwise disposed of in any way by Participant, except by will or by the laws of descent and distribution. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Restricted Stock Units contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon any Restricted Stock Units, shall be null and void and without effect.

Section 9. Withholding Taxes. Participant shall be liable for any and all taxes and contributions of any kind required by law to be withheld or made with respect to the delivery of any shares of Common Stock under this Agreement. Unless the Committee determines otherwise, Participant's employer shall withhold from the shares of Common Stock otherwise issuable pursuant to the settlement of the Restricted Stock Units a number of shares of Common Stock sufficient to satisfy the amount of any such withholding obligation.

Section 10. Compliance With Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall

not be obligated to issue any of the shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law. Nothing in this Agreement or in the Plan prohibits or will be interpreted or construed to prohibit Participant from reporting any possible violation of federal law or regulation to any governmental agency or entity, including, but not limited to, the U.S. Department of Justice or the Securities and Exchange Commission, or providing testimony to or communicating with such agency or entity in the course of its investigation, or from making any other disclosures that are protected under the whistleblower provisions of federal law and regulation. Any such reports, testimony or disclosures do not require Participant to provide notice or receive the authorization or consent of the Company or the Board.

Section 11. Construction. The Restricted Stock Unit Award granted hereunder is granted pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. Participant hereby acknowledges that a copy of the Plan has been delivered to Participant and accepts the Restricted Stock Unit Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon Participant.

Section 12. Notices. Any notice hereunder by Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company at the Company's principal executive offices. Any notice hereunder by the Company shall be given to Participant in writing at the most recent address as Participant may have on file with the Company.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and administered in accordance with Section 409A of the Code. Notwithstanding any other provision of the Plan or this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A of the Code or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A of the Code shall be excluded from Section 409A of the Code to the maximum extent

possible. The Restricted Stock Units granted hereunder shall be subject to the provisions of Section 13.3 of the Plan. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code, and in no event shall the Company or any of its Subsidiaries or Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Participant on account of non-compliance with Section 409A of the Code.

Section 17. Entire Agreement. Participant acknowledges and agrees that this Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, superseding any and all prior agreements whether verbal or otherwise between the parties with respect to such subject matter.

Section 18. Forfeiture and Recapture. The Restricted Stock Unit Award will be subject to recoupment in accordance with any existing clawback or recoupment policy, or clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required under Section 10D of the Exchange Act or other applicable law. In addition, the Committee may impose such other clawback, recovery or recoupment provisions as the Committee determines necessary or appropriate, including, but not limited to, a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. The implementation of any clawback or recoupment policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

Section 19. Amendments. Any amendment to the Plan will be deemed to be an amendment to this Agreement to the extent that the amendment is applicable to this Agreement; provided, however, that, subject to the terms of the Plan, no amendment will materially impair the rights of Participant with respect to the Restricted Stock Units without Participant's consent. Notwithstanding the foregoing, the limitation requiring the consent of Participant to certain amendments will not apply to any amendment that is deemed necessary by the Company to ensure compliance with Section 409A.

Section 20. Severability. In the event that one or more of the provisions of this Agreement is invalidated for any reason by a court of competent jurisdiction, any provision so invalidated will be deemed to be separable from the other provisions of this Agreement, and the remaining provisions of this Agreement will continue to be valid and fully enforceable.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

TWIN RIVER WORLDWIDE HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

Name:

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is effective as of [July 10], 2013 (the "Effective Date"), by and between Twin River Management Group, Inc. , a Delaware corporation ("TRMG"), and Craig L. Eaton ("Executive").

W I T N E S S E I H:

WHEREAS, TRMG is the parent company of UTGR, Inc., a Delaware corporation (the "Company");

WHEREAS, the Company operates the gaming facility doing business as Twin River, located at 100 Twin River Road, Lincoln, Rhode Island (the "Facility");

WHEREAS, Executive is employed by TRMG; and

WHEREAS, TRMG desires to continue to employ Executive, and Executive desires to continue such employment, upon the terms and subject to the conditions herein set forth.

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations and covenants contained herein, the parties hereto agree as follows:

1. EMPLOYMENT. TRMG hereby employs Executive, and Executive hereby accepts such employment, subject to the terms and conditions set forth herein. Executive will hold the office of Senior Vice President and General Counsel of TRMG (the "Position") and will report directly to TRMG's Chief Executive Officer or his designee (the "CEO").

2. TERM. The initial term of employment under this Agreement will begin on the Effective Date and will continue until the second anniversary of the Effective Date, subject to prior termination in accordance with the terms hereof (the "Initial Term"). The Initial Term will be automatically extended for successive additional terms of one year first commencing on the day immediately following the end of the Initial Term (each such period, an "Additional Term"), and subsequently on each annual anniversary of the end of an Additional Term, unless either party gives written notice to the other party of non-extension at least 60 days prior to the end of the Initial Term or to the end of the then-applicable Additional Term (the Initial Term and any Additional Term(s), collectively, the "Term").

3. COMPENSATION. (a) During the Term, TRMG will pay to Executive, in equal installments in accordance with TRMG's regular payroll practice, an annual base salary of \$350,000, which amount may be reviewed in December of each applicable year at the discretion of TRMG's Board of Directors (the "Board") or the CEO (as in effect from time to time, the "Base Salary"). If applicable, any adjustment in Executive's Base Salary will take effect on January 1 of the year immediately following the December salary review period.

(b) Executive will be eligible to receive an annual cash performance bonus (an "Annual Bonus") in respect of each calendar year that ends during the Term, based on performance against performance criteria. The performance criteria for any particular calendar year will be approved by the Board. Such performance criteria may, at the discretion of the Board, include factors and considerations not directly related to TRMG's or the Company's financial performance. Executive's Annual Bonus for a calendar year will equal 50% of his Base Salary if the target levels of performance criteria established by the Board for that year, including financial considerations, and, as applicable, non-financial considerations, are achieved to the satisfaction of the Board, with greater or lesser amounts paid for performance above and below the target level (such greater or lesser amounts to be determined based on criteria or a formula established by the Board), and with no amount payable for performance below a threshold level of performance established by the Board. Executive's Annual Bonus for a bonus period will be determined by the Board after the end of the applicable bonus period and, if such Annual Bonus is awarded, will be paid in the fiscal year following the fiscal year to which such Annual Bonus relates at such time as Annual Bonuses are paid to other senior executives of TRMG generally, but in any event within 30 days following the completion of the audit of the Company's books and records by the Company's auditors in respect of such fiscal year; provided that Executive remains employed by TRMG or the Company at the time of payment. Notwithstanding the foregoing, if this Agreement is not renewed or the Term is not extended and Executive is employed by TRMG or the Company on the last day of the then-applicable Term, Executive's Annual Bonus for the year in which the Term expires will be pro-rated (determined by multiplying the Annual Bonus otherwise payable to Executive for such year by a fraction equal to (i) the number of days Executive was employed by TRMG during the applicable performance period, divided by (ii) the total number of days in the applicable performance period), and in each case will be paid in the fiscal year following the fiscal year to which such Annual Bonus relates at such time as Annual Bonuses are paid to other senior executives of TRMG generally.

4. EXPENSES. TRMG will reimburse Executive, upon presentment of suitable receipts, vouchers and completed expense reports, for all reasonable business expenses which may be incurred by Executive in connection with his employment hereunder during the Term in accordance with TRMG policy. Executive will comply with such restrictions and will keep such records as TRMG may deem necessary to meet the requirements of the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder (the "Code"). Expenses reimbursable to Executive by TRMG will include Executive's reasonable and necessary expenses to maintain his license to practice law in the State of Rhode Island and any other state or commonwealth of the United States in which Executive is licensed to practice law as of the Effective Date.

5. OTHER BENEFITS. During the Term, Executive will be eligible for five weeks of paid vacation per full calendar year (pro-rated for partial years during the Term), and will be eligible to participate in such benefit plans and arrangements and to receive any other benefits customarily provided by TRMG to its management personnel

(the "Benefit Plans"). Unused vacation in any calendar year may not be carried over to any subsequent calendar year (or partial portions thereof).

6. DUTIES. (a) Executive will perform such duties and functions as the CEO may assign to him, consistent with his Position, including any duties or functions with or for any member of the Company Group (as herein defined). Executive will comply in the performance of his duties with the policies of TRMG and the Company, and be subject to the direction of the CEO and the Board.

(b) During the Term, Executive will devote all of his business time and attention to the business of TRMG and the Company, as necessary to fulfill his duties; provided that the foregoing will not prevent Executive from (i) serving on the boards of directors of non-profit organizations and, subject to the approval of the Board, other for-profit companies; (ii) participating in charitable, civic, educational, professional, community or industry affairs; and (iii) managing Executive's passive personal investments, so long as all such activities in the aggregate do not interfere or conflict with Executive's duties hereunder or create a potential business or fiduciary conflict.

(c) Executive will perform the duties assigned to him with fidelity and to the best of his ability.

(d) Executive agrees that, at all times during the Term, he will obtain and maintain, in full force and effect, any and all licenses, permits and work authorizations in respect of the Facility that may be required by any government authority or agency to enable him to properly work and perform the duties of his Position.

7. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION OF EMPLOYMENT. (a) Executive's employment hereunder will terminate upon the first to occur of the following:

(i) in accordance with the terms of Section 7(f) upon written notice to Executive upon the determination by TRMG that Executive's employment will be terminated for any reason which would not constitute Justifiable Cause (as herein defined);

(ii) upon written notice to Executive upon the determination by TRMG that there is Justifiable Cause for such termination;

(iii) automatically upon the death of Executive;

(iv) in accordance with the terms of Section 7(e) upon the Disability (as herein defined) of Executive;

(v) in accordance with the terms of Section 7(f) upon Executive's notice to TRMG of Executive's determination to voluntarily terminate his employment for Good Reason (as herein defined) within 12 months following a Change-In-Control; or

(vi) upon 30 days' prior written notice by Executive to TRMG of Executive's voluntary termination of employment, other than as provided in Section 7(a)(v).

(b) For the purposes of this Agreement:

(i) "Beneficial Owner" has the definition given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (or any successor rule thereto);

(ii) "Change-In-Control" means the occurrence of either of the following: (1) the acquisition of Beneficial Ownership by any Person (as herein defined) or group of affiliated Persons of more than 50% of the shares of common stock or 50% of the combined voting power of the then-outstanding voting shares of the Company, TRMG or Twin River Worldwide Holdings, Inc. ("Holdings") (or any of their respective successors by merger or consolidation) or (2) the closing of any sale or transfer by the Company or Holdings of all or substantially all of its assets to any Person or group of affiliated Persons.

(iii) "Disability" means the inability of Executive, due to illness, accident or any other physical or mental incapacity, substantially to perform the material and essential functions of his duties for a period exceeding a total of 13 weeks (whether or not consecutive) in any 12-month period, as reasonably determined by TRMG in good faith, with a reasonable accommodation (as defined under applicable law).

(iv) "Good Reason" means, without Executive's consent,

(1) a material diminution in Executive's Base Salary, other than a general reduction in Base Salary that affects all similarly situated executives of TRMG in substantially the same proportion;

(2) a material diminution in Executive's responsibilities to the Company (other than temporarily while Executive is physically or mentally incapacitated or as required by applicable law); or

(3) a relocation of Executive's principal place of employment by more than 50 miles from the Facility;

provided, however, that the foregoing conditions will constitute Good Reason only if (A) Executive provides written notice to TRMG within 45 days of the initial existence of the condition(s) constituting Good Reason and (8) both TRMG and the Company fail to cure such condition(s) within 60 days after receipt from Executive of such notice; and provided further, that Good Reason will cease to exist with respect to a condition six months following the initial existence of such condition;

(v) "Justifiable Cause" means:

(1) Executive's continued failure or refusal to perform his duties pursuant to this Agreement after notice from TRMG which, if curable, is not cured within ten business days of Executive's receipt of written notice thereof from TRMG;

(2) Executive's material breach of this Agreement which, if curable, is not cured within ten business days of Executive's receipt of written notice thereof from TRMG;

(3) Executive's indictment for, conviction of or plea of guilty or *nolo contendere* to any crime involving moral turpitude or any felony;

(4) Executive's performance of any act, or his failure to act, which constitutes, in the reasonable good faith determination of TRMG, dishonesty or fraud, including misappropriation of funds or a misrepresentation of the operating results or financial condition of TRMG or the Company to the Board or to any executive of TRMG or the Company;

(5) Executive's illegal use of controlled substances;

(6) the revocation, loss, or non-renewal of Executive's personal gaming license;

(7) the revocation, loss, or non-renewal of Executive's license to practice law in the State of Rhode Island; or

(8) any act or omission by Executive involving malfeasance or gross negligence in the performance of Executive's duties; and

(vi) "Person" means an individual, corporation, limited liability company, association, partnership, joint venture, organization, business, trust or any other entity or organization, including a government or any subdivision or agency thereof, other than any direct or indirect subsidiary of Holdings.

(c) Upon termination of Executive's employment by TRMG for Justifiable Cause, Executive will not be entitled to any amounts or benefits hereunder, other than such unpaid portion of Executive's Base Salary and reimbursement of expenses pursuant to Section 4 as have been accrued through the date of his termination of employment, which amounts will be paid as soon as reasonably practicable following the termination date (collectively, the "Accrued Amounts").

(d) If Executive should die during the Term, this Agreement will terminate immediately. In such event, Executive's estate will thereupon be entitled to receive (i) any Accrued Amounts and (ii) a pro-rata portion of the Annual Bonus (determined by multiplying the Annual Bonus otherwise payable to Executive for the year in which his termination of employment occurred by a fraction equal to (1) the number of days Executive was employed by TRMG during the applicable performance period, divided by (2) the total number of days in the applicable performance period), payable when Annual Bonuses for the applicable performance period are paid to other senior

executives of TRMG generally, but in no event later than 2½ months following the calendar year of Executive's termination (a "Pro-Rata Bonus"). Executive's estate also will be entitled to any accrued amounts or benefits payable under the terms of the Benefit Plans.

(e) Upon a finding by TRMG of Executive's Disability in accordance with Section 7(b), TRMG will have the right to terminate Executive's employment. Any termination of Executive's employment pursuant to this Section 7(e) will be effective on the date 30 days after the date on which TRMG notifies Executive of TRMG's election to terminate. In such event, Executive will thereupon be entitled to receive any Accrued Amounts and a Pro-Rata Bonus for the year in which his termination of employment occurred. Executive will also be entitled to any accrued amounts or benefits payable under the terms of the Benefit Plans.

(f) (i) Termination Without Justifiable Cause. Except as otherwise set forth in Section 7(f)(ii), in the event that Executive's employment is terminated during the Term by TRMG without Justifiable Cause (other than due to Executive's death or Disability), in addition to any Accrued Amounts, subject to Section 7(f)(iii), (1) Executive will be entitled to receive, to the extent earned but not yet paid, Executive's Annual Bonus for the year prior to the year in which his termination of employment occurred (which, for purposes of this Section 7(f)(i), will be deemed to be earned if Executive remained employed by TRMG through the end of the fiscal year to which such Annual Bonus relates); (2) Executive will be entitled to receive a Pro-Rata Bonus for the year in which his termination of employment occurred; and (3) TRMG will continue to pay Executive his Base Salary for the longer of (A) the amount of time remaining in the Term and (B) 12 months (such longer period, the "Severance Period"). In addition, during the Severance Period, Executive will continue to be eligible to participate in TRMG's group health and dental plans at active employee rates (any such period of additional coverage will not count against the period of time Executive is eligible to receive continuation coverage benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA")), provided that such medical and dental coverage and participation is permitted under the terms of the applicable plans. If such coverage is not permitted under the terms of the applicable plans and Executive elects COBRA continuation coverage, TRMG will pay Executive's COBRA premiums until such time as Executive ceases to be eligible for, or no longer elects, COBRA continuation coverage (but in no event longer than the end of the Severance Period). The payments and benefits set forth in this Section 7(f)(i) will be in lieu of any and all other payments due and owing to Executive under the terms of this Agreement (other than any accrued amounts or benefits payable under the Benefit Plans).

(ii) Change-In-Control. In the event that, during the Term and within 12 months following a Change-In-Control, Executive's employment is terminated by (1) TRMG without Justifiable Cause (other than due to Executive's death or Disability) or (2) Executive for Good Reason, subject to Section 7(f)(iii), Executive will be entitled to all the payments and benefits set forth in Section 7(f)(i), except

that the Severance Period will instead equal 24 months. The payments and benefits set forth in this Section 7(f)(ii) will be in lieu of any and all other payments due and owing to Executive under the terms of this Agreement (other than any accrued amounts or benefits payable under the Benefit Plans).

(iii) Release Requirement. The payments and benefits payable pursuant to Section 7(f)(i) or 7(f)(ii), as applicable, other than any Accrued Amounts, are collectively referred to as the "Severance Payments." Notwithstanding anything herein to the contrary, TRMG's obligation to make or pay any portion of any Severance Payment is conditional upon (1) within 60 days following Executive's termination of employment, Executive delivering to TRMG a valid and effective separation and general release agreement in favor of TRMG and the Company, waiving all claims against TRMG and the Company, in a form and substance acceptable to TRMG and the Company, with all periods for revocation therein having expired; and (2) Executive's compliance with his obligations under Sections 9, 10, 11 and 12. Subject to the preceding sentence, any Severance Payments due hereunder, other than any Pro-Rata Bonus, will commence with TRMG's first regularly scheduled payroll date upon or following the 60th day after Executive's termination of employment (the "Severance Payment Commencement Date"), with any such Severance Payments that would otherwise have been payable prior to the Severance Payment Commencement Date but for this sentence instead being accumulated (without interest) and paid on the Severance Payment Commencement Date.

(g) Upon Executive's voluntary termination of his employment hereunder (i) for any reason outside of the 12-month period following a Change-In-Control or (ii) without Good Reason, or in the event that Executive's employment is terminated upon or following the expiration of the Term, this Agreement (subject to Section 25) will terminate. Executive will be entitled to (1) any Accrued Amounts and (2) continue to participate in the Benefit Plans to the extent participation by former employees is required by law, with the expense of such participation to be as specified in such plans for former employees. Executive will also be entitled to any accrued amounts or benefits payable under the terms of the Benefit Plans.

(h) Upon TRMG giving notice of termination pursuant to Section 7(a)(i), 7(a)(ii) or 7(a)(iii) or Executive giving notice of termination pursuant to Section 7(a)(v) or 7(a)(vi), TRMG may require that Executive immediately leave TRMG's and the Company's premises and cease reporting to work, but such requirement will not affect the effective date of termination of employment or any other amounts payable pursuant to this Section 7.

(i) Following the termination of Executive's employment for any reason, if and to the extent requested by the Board, Executive agrees to resign from the Board, all fiduciary positions (including as trustee) and all other offices and positions Executive holds with the Company Group; provided, however, that if Executive refuses to tender Executive's resignation after the Board has made such request, then the

Board will be empowered to tender Executive's resignation from such offices and positions.

8. REPRESENTATIONS AND AGREEMENTS OF EXECUTIVE. Executive represents and warrants that he is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts or understandings, restrictive covenants or other restrictions, whether written or oral, preventing or hindering the performance of his duties hereunder.

9. NON-COMPETITION. (a) In view of the unique and valuable services expected to be rendered by Executive to TRMG and the Company, Executive's knowledge of the trade secrets and other proprietary information relating to the business of TRMG and the Company and in consideration of the compensation to be received hereunder, Executive agrees that, during his employment by TRMG and during the longer of (i) any applicable Severance Period or (ii) 12 months following termination of Executive's employment for any reason (as applicable, the "Non-Competition Period"), Executive will not, whether for compensation or without compensation, directly or indirectly, as an owner, principal, partner, member, shareholder, independent contractor, consultant, joint venturer, investor, licensor, lender or in any other capacity whatsoever, alone, or in association with any other person or entity, carry on, be engaged or take part in, or render services (other than services which are generally offered to third parties) or advice to, own, share in the earnings of, invest in the stocks, bonds or other securities of, or otherwise become financially interested in, any person or entity engaged in the business of owning, operating, or managing any gaming, gambling, pari-mutuel, wagering, thoroughbred or dog racing, video lottery terminal, or lottery-related enterprise or facility or any additional business activities undertaken by TRMG or the Company (or any of their subsidiaries) or proposed to be undertaken by TRMG or the Company (or any of their subsidiaries) and related services (collectively, the "Company Business") anywhere in the states of Connecticut, Colorado, Rhode Island, New Hampshire or Massachusetts, or within 100 miles of any location or facility where TRMG or the Company (or any of their subsidiaries) is engaged in or undertaking, or proposing to engage in or undertake, any Company Business. The record or beneficial ownership by Executive of up to 1% of any class of securities of any corporation whose securities are publicly traded on a national securities exchange or in the over-the-counter market will not of itself constitute a breach hereunder.

(b) Executive will not, directly or indirectly, during his employment by TRMG or during the Non-Competition Period, alone, or in association with any other person or entity, request or cause any suppliers or customers with whom TRMG, the Company, their parent(s), subsidiaries or affiliates (collectively, the "Company Group") has a business relationship, to cancel or terminate any such business relationship with any member of the Company Group or solicit, interfere with, entice from or hire from any member of the Company Group any employee or other service provider (or former employee or other former service provider) of any member of the Company Group.

(c) At no time after the termination of Executive's employment for any reason will Executive utter, issue or circulate publicly any false or disparaging

statements, remarks or rumors about any member of the Company Group and/or any of their respective businesses, or any of their respective officers, employees, directors, agents or representatives. At no time after the termination of Executive's employment for any reason will TRMG, by press release or other formally released announcement, make any disparaging statements about Executive. Notwithstanding the foregoing, statements made in the course of sworn testimony in administrative, judicial or arbitral proceedings (including depositions in connection with such proceedings) will not be subject to this Section 9(c).

(d) If any portion of the restrictions set forth in this Section 9 is, for any reason whatsoever, declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions will not thereby be adversely affected.

(e) Executive acknowledges that the territorial and time limitations set forth in this Section 9 are reasonable and properly required for the adequate protection of the business of the Company Group. Executive hereby waives, to the extent permitted by law, any and all right to contest the validity of this Section 9 on the ground of reasonableness or the breadth of its geographic or product and service coverage or length of term. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or period which such court will deem reasonable.

(f) The existence of any claim or cause of action by Executive against TRMG, the Company or any other member of the Company Group will not constitute a defense to the enforcement by the Company Group of the foregoing restrictive covenants, but such claim or cause of action will be litigated separately.

10. INVENTIONS AND DISCOVERIES. (a) Executive will promptly and fully disclose to TRMG and the Company, with all necessary detail for a complete understanding of the same, all developments, know-how, discoveries, inventions, improvements, concepts, ideas, writings, formulae, processes and methods (whether copyrightable, patentable or otherwise) made, received, conceived, developed, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of TRMG or the Company) during the Term, solely or jointly with others or relating to any current or proposed business or activities of the Company Group known to him as a consequence of his employment or the rendering of advisory and consulting services hereunder (collectively, the "Subject Matter").

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to TRMG all his rights, title and interest in and to the Subject Matter, and Executive further agrees to deliver to TRMG any and all drawings, notes, specifications and data relating to the Subject Matter, and to execute, acknowledge and deliver all such further papers, including applications for trademarks, copyrights or patents, as may be necessary to obtain trademarks, copyrights and patents for any thereof in any and all countries and to vest title thereto in TRMG. Executive will assist

TRMG in obtaining such trademarks, copyrights or patents during the Term, and any time thereafter, on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Subject Matter; provided, however, that, following the Non-Competition Period, Executive will be reasonably compensated for his time and reimbursed for his reasonable out-of-pocket expenses incurred in rendering such assistance or giving or preparing to give such testimony.

11. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION. (a) Executive will not, during the Term, or at any time following expiration or termination of this Agreement, directly or indirectly, disclose or permit to be disclosed, other than as is required in the regular and proper course of his duties hereunder (including required disclosures to TRMG's advisors and consultants) or as is required by law (in which case Executive will give TRMG prior written notice of such required disclosure as soon as possible and will make the most minimal disclosure required), or with the prior written consent of the Board, to any person, firm, corporation or other entity, any confidential information acquired by him during the course of, or as an incident to, his employment with the Company Group, relating to the Company Group, any client of the Company Group, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including the business affairs of each of the foregoing. Such confidential information will include proprietary technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, competitive analyses, pricing policies, employee lists, personnel policies, the substance of agreements with customers, suppliers and others, marketing or dealership arrangements, servicing and training programs and arrangements, customer lists, patron data and any other documents embodying such confidential information. This confidentiality obligation will not apply to any confidential information which becomes publicly available from sources unrelated to the Company Group and without Executive's direct or indirect involvement.

(b) All information and documents relating to the Company Group as hereinabove described (or other business affairs) will be the exclusive property of the Company Group, and Executive will use his best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with TRMG, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof, then in Executive's possession or control will be returned and left with TRMG.

12. SPECIFIC PERFORMANCE. Executive agrees that if he breaches, or threatens to commit a breach of, any of the provisions of Sections 9, 10 or 11 (the "Restrictive Covenants"), TRMG and each other member of the Company Group will have, in addition to, and not in lieu of, any other rights and remedies available under law and in equity, the right to injunctive relief and/or to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, without the posting of any bond or other security, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company Group and that

money damages would not provide an adequate remedy. Notwithstanding the foregoing, nothing herein will constitute a waiver by Executive of his right to contest whether a breach or threatened breach of any Restrictive Covenant has occurred. Executive will, and TRMG may, inform any future employer of the Restrictive Covenants and provide such employer with a copy thereof, prior to the commencement of that employment (or, in TRMG's case, at any time thereafter).

13. INDEMNIFICATION. During Executive's employment by TRMG, Executive will be indemnified and held harmless for his activities as a director and officer, as applicable, to the full extent provided under the Certificate of Incorporation and/or By-Laws of TRMG.

14. LIABILITY INSURANCE. During Executive's employment by TRMG, TRMG will cover Executive under directors' and officers' liability insurance in the same amount and to the same extent as TRMG covers its other directors and executive employees.

15. AMENDMENT OR ALTERATION. No amendment or alteration of the terms of this Agreement will be valid unless made in writing and signed by both of the parties hereto.

16. GOVERNING LAW. This Agreement will be governed by and construed in accordance with the laws of the State of Rhode Island applicable to agreements made and to be performed therein. The parties hereto consent to the exclusive jurisdiction of all state and federal courts located in Providence, Rhode Island, as well as to the jurisdiction of all courts of which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of, or in connection with, this Agreement or that otherwise arises out of the employment relationship. Each of the parties agrees that a final and non-appealable judgment in any action so brought will be conclusive and may be enforced by suit on the judgment in any jurisdiction within or outside the United States or in any other manner provided in law or in equity. Each party hereby expressly waives (a) any and all rights to bring any suit, action or other proceeding in or before any court or tribunal other than the courts described above, and covenants that it will not seek in any manner to resolve any dispute other than as set forth in this paragraph, and (b) any and all objections either may have to venue, including the inconvenience of such forum, in any of such courts. In addition, each party consents to the service of process by personal service or any manner in which notices may be delivered hereunder in accordance with this Agreement. Notwithstanding the foregoing, no claim or controversy for injunctive or equitable relief contemplated by or allowed under applicable law pursuant to Sections 9, 10, 11 or 12 will be subject to the limitations in this Section 16.

17. SEVERABILITY. The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction will not affect any other provision of this Agreement, which will remain in full force and effect.

18. WITHHOLDING. TRMG and/or the Company may deduct and withhold from the payments to be made to Executive hereunder any amounts required to be deducted and withheld under the provisions of any applicable statute, law, regulation or ordinance now or hereafter enacted, or as otherwise authorized by Executive in writing.

19. SECTION 409A. The Parties intend that any amounts payable under this Agreement, and TRMG's, the Company's and Executive's exercise of authority or discretion hereunder, comply with the provisions of Section 409A of the Code ("Section 409A"). To the extent Executive would otherwise be entitled to any payment under this Agreement, or any plan or arrangement of the Company Group, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six months beginning on the date of termination of Executive's employment would be subject to the Section 409A additional tax because Executive is a "specified employee" (within the meaning of Section 409A and as determined by TRMG), the payment will be paid to Executive on the earlier of the six-month anniversary of his date of termination or on the date of his death. To the extent Executive would otherwise be entitled to any benefit (other than a payment) during the six months beginning on termination of Executive's employment that would be subject to the Section 409A additional tax, the benefit will be delayed and will begin being provided on the earlier of the first day following the six-month anniversary of Executive's date of termination or on the date of his death. Any payment or benefit due upon a termination of employment that represents a "deferral of compensation" within the meaning of Section 409A will be paid or provided only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement will be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement will be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treas. Reg. § 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treas. Reg. §§ 1.409A-1 through A-6. With respect to any amount of expenses eligible for reimbursement or the provision of any in-kind benefits under this Agreement, to the extent such payment or benefit would be considered deferred compensation under Section 409A or is required to be included in Executive's gross income for federal income tax purposes, such expenses (including expenses associated with in-kind benefits) will be reimbursed no later than December 31st of the year following the year in which Executive incurs the related expenses. In no event will the reimbursements or in-kind benefits to be provided by TRMG or the Company in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor will Executive's right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit. Notwithstanding anything herein to the contrary, no particular tax result for Executive with respect to any income recognized by Executive in connection with this Agreement is guaranteed, and Executive will be responsible for any and all income taxes due with respect to the arrangements contemplated by this Agreement.

20. ADDITIONAL COMPANY COVENANTS. TRMG will use commercially reasonable efforts to seek shareholder approval of the Payments (as herein defined) provided for in this Agreement in a manner intended to satisfy requirements of the

"shareholder approval" exception to Section 280G of the Code so as to exempt the Payments from any Excise Tax (as herein defined). For purposes of this Section 20: (a) "Excise Tax" means the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax and (b) "Payment" means any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of Executive, whether paid or payable pursuant to this Agreement or otherwise. The parties hereto agree to work in good faith in order to mitigate the potential impact of the Excise Tax on Executive, including entering into all acceptable non-competition agreements. Subject to the foregoing provisions of this Section 20, in the event that TRMG determines (after consulting with an independent accounting or compensation consulting company) that any Payment would subject Executive to the Excise Tax, then the Payments will be reduced to the extent necessary so that no portion thereof is subject to the Excise Tax.

21. NOTICES. All notices and other communications required or permitted hereunder will be in writing and will be deemed given when delivered (a) personally, (b) by registered or certified mail, postage prepaid with return receipt requested, (c) by facsimile with evidence of completed transmission, or (d) delivered by overnight courier to the party concerned at the address indicated below or to such changed address as such party may subsequently give such notice of:

If to the Company: Twin River Management Group, Inc.
100 Twin River Road
Lincoln, RI 02865
Fax: 401-727-4770

If to the Executive: Executive's most recent home address, as set forth in the employment records of TRMG

22. COUNTERPARTS AND FACSIMILE SIGNATURES. This Agreement may be signed in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together will be deemed an original of this Agreement. For purposes of this Agreement, a facsimile copy of a party's signature will be sufficient to bind such party.

23. WAIVER OR BREACH. It is agreed that a waiver by either party of a breach of any provision of this Agreement will not operate, or be construed, as a waiver of any subsequent breach by that same party.

24. ENTIRE AGREEMENT AND BINDING EFFECT. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, supersedes all prior and contemporaneous agreements, both written and oral, between the parties with respect to the subject matter hereof (including any employment agreement previously entered into by TRMG and/or the Company (or any of their respective predecessors) and Executive). This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributors, successors and assigns: provided, however, that Executive will not be

entitled to assign or delegate any of his rights or obligations hereunder without the prior written consent of TRMG. It is intended that Sections 9, 10, 11 and 12 benefit each of TRMG, the Company and each other member of the Company Group, each of which is entitled to enforce the provisions of Sections 9, 10, 11 and 12 and is deemed to be an intended third-party beneficiary of this Agreement.

25. SURVIVAL. The obligations of any of the parties under this Agreement which by their nature may require either partial or total performance after the expiration or termination of the Term or this Agreement (including those under Sections 9, 10, 11 and 12) will survive any termination or expiration of this Agreement.

26. FURTHER ASSURANCES. The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

27. CONSTRUCTION OF AGREEMENT. No provision of this Agreement or any related document will be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision. Unless otherwise indicated, any reference to a "Section" means a Section of this Agreement. The word "including" (in its various forms) means including without limitation. All references in this Agreement to "days" refer to "calendar days" unless otherwise specified.

28. HEADINGS. The Section headings appearing in this Agreement are for the purposes of easy reference and will not be considered a part of this Agreement or in any way modify, demand or affect its provisions.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the respective dates set forth below, to be effective as of the Effective Date.

TWIN RIVER MANAGEMENT GROUP, INC.

By: /s/ GEORGE PAPANIER
Name: George Papanier
Title: Chief Executive Officer

Date: October 9, 2013

/s/ CRAIG L. EATON
Craig L. Eaton

Date: October 9, 2013

TWIN RIVER WORLDWIDE HOLDINGS, INC.

Subsidiary Name	State or Other Jurisdiction of Incorporation
Twin River Management Group, Inc.	Delaware
Premier Entertainment Biloxi, LLC d/b/a Hard Rock Hotel & Casino	Delaware
UTGR, Inc. d/b/a Twin River Casino Hotel	Delaware
Premier Entertainment II, LLC d/b/a Newport Grand	Delaware
Mile High USA, Inc.	Delaware
Twin River – Tiverton, LLC d/b/a Tiverton Casino Hotel	Delaware
Premier Entertainment III, LLC d/b/a/ Dover Downs Gaming & Entertainment	Delaware
Premier Entertainment Black Hawk, LLC	Colorado
Premier Entertainment Vicksburg, LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-228973 on Form S-4 and Registration Statement No. 333- 230675 on Form S-8 of our report dated March 13, 2020, relating to the consolidated financial statements of Twin River Worldwide Holdings, Inc. appearing in this Annual Report on Form 10-K for the year ended December 31, 2019.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey

March 13, 2020

TWIN RIVER WORLDWIDE HOLDINGS, INC.

CERTIFICATION

I, George T. Papanier, certify that:

1. I have reviewed this annual report on Form 10-K of Twin River Worldwide Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) [Omitted]
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 13, 2020

By: /s/ GEORGE T. PAPANIER

George T. Papanier

President and Chief Executive Officer

TWIN RIVER WORLDWIDE HOLDINGS, INC.

CERTIFICATION

I, Stephen H. Capp, certify that:

1. I have reviewed this annual report on Form 10-K of Twin River Worldwide Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) [Omitted]
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 13, 2020

By: /s/ STEPHEN H. CAPP

Stephen H. Capp

Executive Vice President and Chief Financial Officer

TWIN RIVER WORLDWIDE HOLDINGS, INC.

CERTIFICATION

In connection with the annual report of Twin River Worldwide Holdings, Inc. (the "Company") on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission (the "Report"), I, George T. Papanier, President and Chief Executive Officer of the Company, hereby certify as of the date hereof, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: March 13, 2020

By: /s/ GEORGE T. PAPANIER

George T. Papanier

President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.

TWIN RIVER WORLDWIDE HOLDINGS, INC.

CERTIFICATION

In connection with the annual report of Twin River Worldwide Holdings, Inc. (the "Company") on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission (the "Report"), I, Stephen H. Capp, Executive Vice President and Chief Financial Officer of the Company, hereby certify as of the date hereof, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: March 13, 2020

By: /s/ STEPHEN H. CAPP

Stephen H. Capp

Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.